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Israel Asking U.N. to Start Talks On Guarantee for Free Passage

Gaza Well-Run, Says U.N.

UNITED NATIONS, Monday. — The Israel authorities have methodically established a programme to stabilize life in the Gaza Strip, have restored municipal government as well as civilian activities such as banking, trading and fishing, and are allowing the U.N. staff complete freedom to feed and care for the approximately 213,000 refugees in the area.

These are among the facts submitted to the General Assembly by Secretary General Dag Hammarskjold, in the detailed report which he had received from his personal observer in the Gaza strip, Lt. Col. K.R. Nelson, an American member of the headquarters staff of the UNEF.

Colonel Nelson's report was submitted December 3, but was withheld until today by Mr. Hammarskjold so that it could be issued simultaneously with the report of Mr. Henry R. Labouisse, Director of UNRWA activities. Mr. Labouisse's report tells of heavy looting of UNRWA supplies by Arab refugees, of riots and other disturbances, and of disciplinary measures taken by the Israel Army.

Mr. Labouisse reported that at least 452 civilians were killed when Israel entered the Gaza Strip. He said the estimates were based on accounts given by "trustworthy" sources.

Col. Nelson's major observation was:

Stabilizing Life

"The Israel authorities have methodically established a programme to stabilise life in the Gaza area. They are progressively executing that programme. They have established law and order and have dealt with any uprisings or lootings in a strong manner.

"We believe that the population recognizes this and, therefore, has remained calm. Removal of any effective authority in the area would cause an eruption, either by the refugees or local inhabitants."

The Nelson report totally discredits Egyptian allegations that Israel had in any way persecuted the Arab population in the Gaza area.

There has been migration of Arabs from Gaza to Jordan despite Israel's orders forbidding such movement, Col. Nelson states, but he points out that migrating Arabs were being taken by "paid guides." There was no evidence of mass deportation of inhabitants, Col. Nelson concluded.

Col. Nelson and another UNEF officer who speaks Arabic, Capt. G.A. Vegeduind, were given full freedom to go wherever they chose, it was stated. They spoke to mayors, mukhtars and anyone else they wanted to. Furthermore, Col. Nelson reported, they did not tell the Israelis in advance where they were going and they frequently deviated from their scheduled route in order to observe conditions or speak to individuals. *(INA, UP)*

Eban Meeting Hammarskjold

Jerusalem Post Diplomatic Correspondent

Israel will approach the U.N. with a proposal to begin negotiations aiming at securing a guarantee on the freedom of her shipping in the Gulf of Akaba; this being a prerequisite for her withdrawal from the eastern coast of the Sinai peninsula.

The approach will be made at a meeting between Mr. Abba Eban and Mr. Dag Hammarskjold expected to be held today.

If anything hardened Israel's determination not to leave Sharm e-Sheikh before receiving such guarantees it was a statement made over Cairo Radio at 5.30 p.m. on Sunday to the effect that "the Arabs will hunt down every single Israel ship attempting to enter the Gulf of Akaba and destroy it."

This statement is being brought to the notice of the U.N. General Assembly and the Secretary-General Mr. Dag Hammarskjold. It may also be the subject of a formal complaint, but a decision on this lies with the Israel delegation.

The Foreign Ministry spokesman said in Jerusalem last night that "the state of blockade, piracy and war described by Cairo Radio had existed in the Gulf until the Egyptian batteries at the entrance to the Straits of Tiran were removed more than two months ago. Today, free passage through the Straits and the Gulf is assured to all nations, including Israel and the Arab countries. For the first time in eight years international law is being scrupulously observed in this international waterway."

The point of the Eban-Hammarskjold meeting will be to find some formula that will satisfy Israel's needs for free and undisturbed passage through the Gulf of Akaba and at the same time fulfil the United Nations' demand for unconditional withdrawal from Egyptian territory. Mr. Eban may touch on the subject of free passage through the Suez Canal as well, but it cannot be expected that any real progress can be made on this subject until it is taken up within a larger political framework.

No official spokesman is willing to speculate on the possibility that the guarantees might not be forthcoming. It has been reported that the Government will stand rock-firm on its determination to hold the eastern coast of Sinai until it does get suitable guarantees.

Mr. Eban and Mr. Hammarskjold will no doubt discuss the pace of the further withdrawal from areas in northern Sinai still held by Israel. It can be expected that Israel will soon be back to the international border in the northern area. Israel leaves El-Arish and St. Catherine's monastery today.

As soon as the next phase is agreed upon, another meeting can be expected between Gen. E.L.M. Burns and Rav-Aluf Moshe Dayan to work out the technical details.

The discussion on the Middle East situation will be delayed for one day at the U.N. General Assembly, it was learned in Jerusalem last night. The Afro-Asian group has had difficulty, apparently, in reaching agreement on a suitable resolution which, it is understood, will concern itself with Israel's withdrawal from Sinai.

The delay might indicate that the Afro-Asians are modifying their motion in order to take cognizance of Israel's difficult position with regard to the question of free passage.

U.S. and Russia Offer Rival Plans For Disarmament

UNITED NATIONS, Monday (Reuter). — The U.S., in a new five-point disarmament plan proposed today that all future production of fissionable materials should be for peaceful purposes.

The plan was outlined by the chief American delegate, Mr. Henry Cabot Lodge, when he opened a debate on the disarmament problem in the General Assembly's Political Committee.

Another key proposal in the plan was to bring the testing of inter-continental ballistic missiles and other "outer space" objects under international control.

Mr. Lodge also called for the eventual elimination of all nuclear weapons tests, the reduction of armed forces under effective supervision, and the installation of inspection systems to provide against the possibility of surprise attacks.

Effective Inspection

He emphasised that the U.S. was ready and willing to take solid steps towards arms reduction, whether very small or extensive. But steps taken must be subject to effective inspection.

"This insistence on adequate inspection is not a whim. It arises from the deep conviction that only an inspected agreement would serve the objective of a reliable peace," he said.

He listed the objectives which should be the aim of renewed negotiations:

1. To reverse the trend towards larger stockpiles of nuclear weapons and to reduce the future nuclear threat.
2. To provide against surprise attack and thus reduce the danger of major war.
3. To lessen the burden of armaments and to make possible improved standards of living.
4. To ensure that research and development activities concerning the propulsion of objects through outer space are devoted exclusively to scientific and peaceful purposes.
5. To ease tensions and to facilitate settlement of difficult political issues.

Mr. Lodge suggested that figures for armed forces should be: the Soviet Union and the U.S. 2,500,000 each, Britain and France, 750,000 each.

He said the U.S. accepted the principle of establishing observers at key ground locations, as generally proposed by the Soviet Prime Minister Bulganin, in addition to air inspection.

After Mr. Lodge had spoken, the Soviet Union called for a special session of the General Assembly on disarmament.

Soviet Deputy Foreign Minister Kuznetsov referred to Marshal Bulganin's proposals of November 17 which, he said, could constitute a good basis for negotiating and reaching agreement on disarmament.

He introduced his first resolution to back the Soviet demand for an immediate ban on atomic and hydrogen weapons tests and made the following proposals:

1. The reduction during 1957 by one-third of the armed forces of the U.S., the Soviet Union, Britain and France.
2. A considerable reduction during 1957 of the armed forces of the three Western powers stationed in NATO countries and of Soviet forces stationed in Warsaw Pact countries.
3. The liquidation within two years of all military bases in the territory of other states.
4. A cut in military expenditure in the course of two years.
5. The establishment of a strict and effective international control over the fulfilment of the disarmament obligations.

Mr. Kuznetsov renewed Marshal Bulganin's proposal for a system of aerial photography over an area to a depth of 800 kilometres west and east of the demarcation line between the NATO and Warsaw Pact forces.

SUPREME SOVIET FOR FEBRUARY 5

MOSCOW, Monday (Reuter). — The Supreme Soviet is to open a new session here on February 5, according to a decree published today, the Soviet news agency TASS has reported.

RAINS & STORM...
These words mark now the weatherman's reports. With real winter coming on, your hands need special attention — they need "Amuga"* Shemen's new handcream, which will prevent roughness and redness caused by work and weather.
Amuga makes active hands attractive hands.
* the only handcream in Israel containing Cordinamine and Vitamin F.

Population to Reach 2,000,000 in 1957

By ARYEH RUBINSTEIN, Jerusalem Post Knesset Reporter

The year ahead calls for a political struggle and for tremendous efforts in immigration and in the development of our economy, the Finance Minister said yesterday in presenting the 1957/58 Budget to the Knesset.

The amount of the proposed budget is IL849.7m., which is 10.5 per cent greater than the 1956/57 Budget of IL769.2m.

Mr. Eshkol's 90-minute speech was divided almost equally between a review of the country's economy in 1956 and the prospects for 1957.

He said that 70,000 immigrants were expected this year from North Africa, Egypt and Eastern Europe. In the last three months of 1956, immigration had already reached the rate of 6,000 a month.

The absorption of these immigrants would require the planning and execution of large-scale projects in agriculture, industry, construction and development. Natural increase would add almost another 40,000 to the population bringing the total to 2,000,000. The labour force was expected to grow by 25,000-30,000 — mostly unskilled immigrants.

Jobs for Newcomers

A programme was in preparation for the absorption of 10,000 families on the land. Expanding agricultural production would make it possible to employ thousands of additional newcomers, and thousands more would be employed in hundreds of new industrial and craft undertakings which it was planned to set up, as well as in the construction of factories, houses and other buildings, Mr. Eshkol said.

He announced that the Jewish people throughout the world would be asked to contribute hundreds of millions of dollars for all this, and the population of Israel would also have to make the utmost effort.

The struggle for stable prices and a stable currency must be continued, Mr. Eshkol declared. The recent decisions of the Histadrut—that labour agreements be negotiated only every two years and that the cost-of-living allowance be changed only once in six months and then only if the index has risen by more than three per cent — represent an important contribution to price stabilization.

But other groups must also do their bit to help bring about a stable economy, Mr. Eshkol said. This included manufacturers, merchants, transport firms and services of all kinds.

Check on Prices

The Government would continue to maintain a strict check on stable prices. It would continue to maintain the stability of credit, while expanding and directing it as required for the increase in production and export.

Mr. Eshkol announced that an anti-cartel bill would be presented to the Knesset in the next few weeks.

He said that areas under vegetables, groundnuts, cotton and bananas would be expanded. The encouragement of industrial exports would be continued; cheap credit and cheap transport would be available to exporters.

Exporters would be encouraged to cooperate in organising exports and in finding new markets in Asia and Africa, and regular shipping lines would be organized to carry the cargoes. But in the last analysis, the fate of our exports depended on the ability of the exporters to increase productivity and cut costs, Mr. Eshkol said.

He said that income from external sources would increase by about IL44m., but he added that about half of this was not certain, apparently referring to the U.S. grant-in-aid. He hoped that it would not be necessary to make far-reaching changes in the proposed expenditure for services and development on this account.

Mr. Eshkol pointed out that although the proposed Development Budget is IL234.5m., as compared with IL217m. last year, the real value of the budget has declined somewhat owing to the rise in prices. The Development Budget was inadequate for the needs of the State, he said.

Survey of 1956

In his survey of the economy in 1956, Mr. Eshkol said that no expenditure had been spared, even when it seemed to be beyond our capacity, to acquire all suitable and available arms and civil defence equipment. The need to divert economic capacity to security requirements was liable to slow up the pace of economic development, he said.

Eight thousand families had been settled on the land and the remaining new immigrants were sent to development areas; only a few had gone to towns.

Production had increased in all branches, particularly agriculture and transport. According to preliminary estimates, the national income amounted to some IL2,000m. last year, in comparison with IL1,750m. in 1955 — an increase in terms of actual value of 6-8 per cent, the same as the increase in 1955.

Agriculture made the chief contribution to the increase in production; the cultivated area grew by 80,000 dunams to about 3,700,000 dunams. Agricultural production rose from IL337m. in 1955/56 to

(Continued on Page 3, Col. 1)

Humphrey Bogart Dies of Cancer

HOLLYWOOD, Monday. — Humphrey Bogart died here today of cancer. He was 57.

Born in New York City on December 25, 1899, Humphrey DeForest Bogart has had a long, successful film career representing characters on both sides of the law. Among his pictures were "Petrified Forest," "Maltese Falcon," "High Sierra," "Casablanca," "The Big Sleep," "The African Queen" and "Treasure of Sierra Madre."

Famous for his portrayal of hard-boiled thugs, detectives and adventurers, Bogart received an "Oscar" award for his role as the dyspeptic tramp captain in "African Queen." Another nautical role was his recent performance as the neurotic Captain Queeg, in "The Caine Mutiny."

He first came to public attention as the gangster in Robert Sherwood's stage play, "Petrified Forest," a role which he recreated in the film adaptation. Mr. Bogart married actress Lauren Bacall in 1945, after they co-starred in "To Have and Have Not." They have two children.

Cairo-Amman Talks End Without Communique

The most recent negotiations for an Egyptian contribution towards a subsidy for Jordan were concluded yesterday in Cairo between the Egyptian Government and a Jordanian parliamentary delegation, ANA reported. The usual communique announcing "complete agreement" was not issued on this occasion.

This morning the Jordanians will leave for Riadh, and then to Damascus, on the second and third stage of their quest for a substitute for the £12.5m. annual British subsidy to the Arab Legion and a £2.5m. development grant.

According to Cairo Radio, King Hussein is to leave tomorrow for Riadh in order to be present at the discussions between King Saud and the Jordan delegation.

Meanwhile, Cairo Radio reported that the Jordan Chief of Staff, General Ali Abu Nawar, met the Egyptian War Minister and Chief of Staff, General Abdul Hakim Amer, in Cairo on Sunday night.

ARABS TO MEET ON EISENHOWER DOCTRINE

A meeting of Arab kings and presidents is expected to be called in Cairo before the end of this month to discuss the implications of the Eisenhower doctrine, the Middle East News Agency reported yesterday from Damascus.

MASSIVE LOCUST INVASION FEARED

"Enormous" swarms of locusts are now assembling in the Yemen and East Africa in preparation for what promises to be the worst invasion of the pest in the Middle East in the past three years, ANA reported yesterday from Amman.

British Cabinet Looks to Europe

By GEORGE LICHTHEIM, Jerusalem Post Correspondent

LONDON, Monday.—A "European Cabinet" summarizes the conclusions drawn by some experienced observers here from the composition of Mr. Harold Macmillan's Government.

The retention of Mr. Selwyn Lloyd at the Foreign Office in particular is interpreted as a gest... to France and to the supporters of European unification, an impression strengthened by the elevation of Mr. Peter Thorneycroft to the Treasury and Mr. Duncan Sandys to the Ministry of Defence. These appointments are thought to reflect the growing Europeanism of many Conservatives who have been shocked by the American attitude over Suez.

If a decision has been taken to seek closer unity with Western Europe, this would partly explain the relative indifference displayed by Mr. Macmillan and the Tory high command to the predictable unfavourable reaction of opposition quarters and even "The Times" to Mr. Lloyd's continuance as Foreign Secretary on the grounds that he was deeply involved in "misleading" Washington over the Suez adventure.

More Businesslike

This is the "Manchester Guardian's" main complaint against Mr. Macmillan, who for the rest benefits from the impression that his Cabinet will be more businesslike and efficient than Sir Anthony's.

A drive to reduce useless overseas and defence expenditure is certain to rank high among the new Government's objectives, as Jordan may shortly discover.

From Israel's standpoint, the retention of Mr. Lloyd and the other disappointments inflicted on the Butlerites may be thought relatively satisfactory, inasmuch as they reflect a certain toughness and realism in dealing with Middle East matters. Nobody expects this Cabinet to kowtow to Abdul Nasser, although it may be unable to influence American policy or do more than seek to reinforce the Baghdad pact.

It would be unwise to read too much into Mr. Macmillan's earlier pro-Zionist associations. As Premier he cannot do more than continue his predecessor's policy, though possibly with greater emphasis on its anti-Russian aspect — the Baghdad pact was, after all, Mr. Macmillan's personal creation.

Mr. Macmillan spent today choosing ministers for a large number of posts still to be filled in his new Government.

The Cabinet includes all the chief government portfolios. Posts still to be filled include those of navy, war and air ministers, health minister, Attorney General and Solicitor General.

About 30 junior ministers have also to be appointed before the new administration is complete. No announcements are expected tonight.

New Prime Minister Loses 'Walrus'

LONDON, Monday (UP). — Prime Minister Mr. Harold Macmillan displayed a personal "new look" at 10 Downing Street today when he showed up after shaving off about one-third of what had been the biggest moustache in the British Government.

Up till Sir Anthony Eden's resignation, Mr. Macmillan sported a huge, bushy, droopy moustache that gave cartoonists a chance to portray him looking like a walrus.

Now it is a neat, just-over-the-lip model. About an inch had been snipped off each side.

Khrushchev: Lion Lost Tail in Egypt

LONDON, Monday. — "The British lion has become senile, weak and hoarse now that it has lost its tail in Egypt," Nikita Khrushchev, Secretary of the Soviet Communist Party, told a mass meeting in Tashkent, Asiatic Russia, according to the Soviet News Agency TASS.

"American imperialism is rushing into the Near and Middle East to take over from that lion and from the French imperialists," Mr. Khrushchev said.

Referring to the "Eisenhower doctrine," Mr. Khrushchev said that during the years of the Soviet regime there have been many such doctrines aimed against the Soviet Union. "But all these doctrines and prophecies failed; the Soviet Union stands like a granite rock and its strength grows with every passing day."

The Communist Party chief said that British, French, American and other "imperialists" were "grabbing and plundering the Arab world's resources" and exporting their oil almost without payment. *(UP, Reuter)*

Russia Said Building Fighter Base in Syria

LONDON, Monday (INA). — The "Daily Mail's" Cyprus correspondent reported today that the isolated town of Risafe in the Syrian desert is being hurriedly converted by the Russians into a key fighter base.

Four shiploads of Soviet arms have been unloaded in the past six weeks at the Syrian Mediterranean port of Latakia. The most recent shipment arrived on January 6 and included 12 MIG-17's with spare parts, medium and heavy artillery, the correspondent said.

These weapons represented an instalment of £10m. on account of the Syrian arms deal with Russia.

Risafe is some 160 kilometres southeast of Aleppo and 32 kms. south of the Euphrates River. Hundreds of square miles in the immediate vicinity of the town have been declared a prohibited area while the secret air base is being put up by Soviet technicians with Syrian help, the correspondent wrote.

BARCELONA STUDENTS CLASH WITH POLICE

MADRID, Monday (Reuter). —Students clashed with police in Barcelona today as travellers staged a boycott of the city's tram service in protest over increased fares. A number of arrests were made.

Underground and bus services were normal, but nearly all trams were running empty.

Opposition To 'Doctrine' Grows In Congress

By JESSE ZEL LURIE, Jerusalem Post Correspondent

NEW YORK, Monday. — As Senate committees opened their hearings on the "Eisenhower Doctrine" and Secretary of State John Foster Dulles again had to answer some sharp questioning on the programme for the Middle East, Congressional opposition to the economic aspects of the plan seems to have hardened.

Although President Eisenhower is apparently asking Congressional approval of his new policy, he is actually requesting Congress to relinquish its constitutional prerogatives on foreign policy. Congress' only power to influence policy is its control over the purse strings.

Last year, Congress refused funds for the Aswan Dam and specified that 80 per cent of mutual aid funds must be in the form of loans. Mr. Eisenhower is now suggesting that Congress remove restrictions and give him a blank cheque for $200m. annually for three years.

It is doubtful if he will succeed.

Mendes: Give Israel Its Assurances

By MAURICE CARR, Jerusalem Post Correspondent

PARIS, Monday. — M. Pierre Mendès-France today called upon the U.N. and the Western powers as a matter of "the utmost urgency" to recognize as permanent and to guarantee Israel's 1948 armistice frontiers.

He also urged "strict measures" to prevent the resumption of raids from the Gaza Strip and the reimposition of the Akaba Gulf blockade.

Addressing the Anglo-American Press Association in Paris at a luncheon in his honour, the Radical leader said: "It is impossible to judge the 'Eisenhower doctrine' so long as its objectives with regard to the Suez Canal, Israel-Arab relations, the Arab refugees and Middle East economic development remain unknown.

"Delicate and dangerous as these problems are, they can be settled given good will and time, but there is one problem, namely Israel's frontiers, together with the future status of the Gaza Strip and the Gulf of Eilat, which is extraordinarily acute and which, if left unresolved, may place us before extraordinarily redoubtable alternatives within the next few weeks.

"Consequently it is desirable that the U.N. and the Western powers, including the U.S., say very clearly and without delay what their attitude is in the face of this problem.

"It is impossible to deny Israel the use both of the Suez Canal and the port of Eilat. To do so would be to condemn it to complete isolation, forcing it to resort to defensive action such as we witnessed two months ago.

"In the first place, if the Western powers had covered Israel with protective guarantees such as its Government had increasingly requested, it might not have had recourse to the recent military initiative which the U.N. saw fit to condemn as aggression."

U.K.-Yemen Talks On Border Disputes

LONDON, Monday (UP). — British and Yemen Government officials will meet shortly on the frontier between the desert kingdom and the Aden Protectorate for talks aimed at forestalling future border clashes, the Foreign Office announced today.

Fighting between Yemeni tribesmen and the British-officered Arab levies of the Protectorate have snowballed into a minor border war in which units of the R.A.F. have been called in to support the levies.

Britain was reported to be moving up reinforcements to the Yemen frontier today following the ambush of a R.A.F. armoured column yesterday.

Syria, Pakistan Fail to Agree

KARACHI, Monday (Reuter). —The Presidents of Pakistan and Syria, Iskander Mirza and Shukri el-Kuwatly, today pledged themselves to seek the solution of international disputes on a basis of "justice and equity." This pledge was contained in a communique issued following talks between the two leaders.

Usually well-informed sources said that the communique was an accurate reflection of the talks, in which views had been exchanged and attitudes clarified, but little or no agreement reached.

Kuwatly is on a 10-day visit to Pakistan, accompanied by his Foreign Minister Salah Bitar.

Informed sources said that in the course of the talks, the Pakistan Prime Minister, H. S. Suhrawardy, spoke "frankly" in favour of the Baghdad Pact and Pakistan's attachment to the West. He is understood to have on occasions spoken very bluntly to the Syrians.

The Pakistani view was put forward that Syria was "playing with fire" in its associations with Communist countries, while the Baghdad Pact was purely a defensive alliance.

In their turn, the Syrians said they knew what they were doing in their dealings with Communist countries.

Public Kafr Kasim Trial Opens Today

RAMLE, Monday. — The court martial of 11 officers and men of the Border Police for the premeditated murder of 47 Kafr Kasim villagers, is to begin at an army camp somewhere in Israel at 9 a.m. tomorrow. The trial will be in public, and not as previously reported.

The accused, who range in rank from constable to Rav-Seren, are Shmuel Malinki, Ismail, Gavriel Uliel, Abdul Rahman Ismail, Shalom Ofer, Mahluf Harush, Eliahu Avraham, Albert Fahima, Edmund Nahmani, Said Zakharia Sha'aban and Daniel Sementz.

The court is composed of Aluf-Mishne Binyamin Halevi, President of the Jerusalem District Court, who will preside; Sgan-Aluf Yitzhak Divon; Rav-Seren Yehuda Cohen, Jerusalem District Court Judge, and Private Gad Suaf. Seren D. Schindler will prosecute, while the accused are defended by six lawyers.

The trial is expected to last until January 24, with an adjournment from Thursday night to Monday morning. Prosecution and defence between them have called 38 witnesses, including 15 Kafr Kasim villagers. *(Itim)*

Israel Questions UNRWA Figures

Commenting on the statement in an UNRWA report issued by the U.N. last night that 452 persons were killed by Israel forces in the Gaza Strip (see next column), the Foreign Ministry spokesman last night voiced regret that a figure had been used "which lends itself to tendentious interpretation."

This total, he said, covered men who fell in battle and in the course of military operations. They were largely personnel of the Palestinian units attached to the regular Egyptian army who took an active part in the fighting in "national guard" units and as *fedayeen*. Many of them continued to receive UNRWA aid despite their service with the Egyptian forces.

The spokesman also pointed out that many people fled from Gaza to Jordan during and immediately after the fighting, and are unaccounted for in Gaza today. It is assumed that the figure of those allegedly killed includes many who are not in Gaza now, but are alive and well elsewhere.

Negotiations Proceed On P-o-W Exchange

News agency reports emanating from Cairo and quoting a U.N. spokesman to the effect that 5,000 Egyptian prisoners-of-war would be returned on Thursday in exchange for four Israel prisoners could not be confirmed by official Israel sources yesterday.

Both Army and Foreign Ministry spokesmen denied knowledge of any final settlement on a general exchange.

It was known in Jerusalem, however, that negotiations have been going on through the Red Cross for an exchange, but it appeared that Israel officials have not yet been informed of any final plans for such a trade.

The official Egyptian radio station made no mention of a repatriation of P.O.W.'s yesterday.

M. Louis Gailland, the Red Cross representative in Israel, went to El-Arish yesterday. Israel troops are to withdraw from the town today.

The Egyptian Immigrants Association has called on the Government to halt the repatriation of Egyptian prisoners until substantial guarantees for the security of Egyptian Jews are secured. It asked the Government to obtain such guarantees from the Red Cross.

Syria Jailed Two UNRWA Officials

UNITED NATIONS, Monday (UP). — Syrian military authorities jailed two UNRWA officials on trumped-up charges at the beginning of November and then released them on condition that they leave the country, it was disclosed today for the first time.

The incident, which drew a sharp protest from the U.N. Secretary-General at the time, was revealed today in a special report submitted by Mr. Henri Labouisse, Director, UNRWA activities. He identified the arrested officials as the organization's representative in Syria and a senior officer.

The men were arrested in Damascus on November 5 by Syrian military police, who placed them in a cell after first depriving them of their neckties, belts and shoes. They were released after several hours and deported.

One of the men was charged with having lit a match out-of-doors during an air raid alert and the other with having made derogatory remarks about a political leader. No evidence was brought to substantiate these charges, which were flatly denied by both men, Mr. Labouisse said.

Although the officials were not named in the report, an U.N.R.W.A. source identified the agency representative as Louis Gendron, a French national, and the senior officer as William Hornett, a British national.

BAHREIN LEADERS ATTACK BRITAIN

Bahrein nationalist leaders have protested to the U.N. Secretary-General against alleged British mistreatment of imprisoned nationalists, the Egyptian-controlled Middle East News Agency reported yesterday. They claimed that the British authorities are keeping the nationalist detainees at forced labour in "mediaeval dungeons."

Mrs. Meir Leaves For NY via London

LYDDA AIRPORT, Monday. —"I am going abroad in order to do what I can to bring the efforts of the Israel Delegation to the U.N. to a successful conclusion," declared Mrs. Golda Meir, the Foreign Minister, on her departure from Lydda Airport today, via B.E.A., for London on her way to New York to take up her position as head of the Israel Delegation.

Mrs. Meir explained that it was impossible to predict in advance the exact procedure she would follow in New York. This was subject to conditions there.

She also refused to reveal her plans for a meeting with the U.N. Secretary-General or with any other U.N. delegates. She denied all rumours about impending changes in the set-up of the Foreign Ministry.

Accompanying Mrs. Meir to the airport were Mr. Walter Eytan, Director General of the Ministry; Mr. A. Lourie, Assistant Director General; Dr. G. Josephthal, General Secretary of Mapai, and Mr. S. Divon, Adviser to the Prime Minister on Arab Affairs. Also taking leave of Mrs. Meir at Lydda were Mr. T. W. L. MacDermot, the outgoing Canadian Ambassador, and Mr. G. P. Kidd, the Charge d'Affaires.

Lebanon Won't Be Mid-East Mediator

LONDON, Monday (Reuter). —The Lebanese Foreign Minister, Charles Malik, declared today that his country had no intention of serving as mediator in the settlement of Middle East problems.

He said at a press conference after conferring with Prime Minister Macmillan, and Foreign Secretary Lloyd, that Lebanon was in agreement with other Arab governments that this was not a suitable time to discuss the Palestine problem. "When the time does come," he added, "I do not see how the Arabs can accept less than the 1947 boundaries as a basis for further exploration of this tangled problem."

Dr. Malik flew here yesterday after two days of talks in Cairo last week with Abdul Nasser.

In reply to questions, the Foreign Minister declared that Communist infiltration into the Middle East had "worsened" in the past few months.

Dayan Greets 314 New Army Officers

"This is a day of strength," the Chief of Staff said yesterday at the graduation ceremony of 314 officers at an army camp "somewhere in Israel." "The young officer is the source of the Israel Defence Forces' strength and pride," he said.

Rav-Aluf Dayan said that it was these officers who will form the vanguard of the people in fortifying and defending border settlements, and it was they who were in the forefront of the Army and swept through the Sinai peninsula and, in the space of one week, drove out the enemy forces along a front extending from Gaza to Sharm e-Sheikh.

Present at the ceremony were the Commander of the Navy, Aluf S. Tankus, the Mayors of Petah Tikva and Rishon leZion, the Military Attaches of the U.S., Britain, France and Turkey, and other guests.

Six of the graduates were presented by the Chief of Staff with the emblem of Platoon Commander. They are: D. Kedem, Z. Halevy, Y. Brenner, S. Wolf, Y. Porat and Y. Sela.

Herut Asks Vote Of Non-Confidence

The Herut faction in the Knesset yesterday gave the Speaker notice of its intention to submit a motion of non-confidence in the Government because of its decision to withdraw Israel troops from El Arish, Abu Ageila, and Kuseima. The motion will be heard today.

On Sunday, the faction submitted an urgent motion for the agenda calling for a debate on the withdrawal. The Knesset Presidium yesterday decided not to hear the motion yesterday, as had been requested, but today.

Herut felt that a debate on that motion would be pointless, since the withdrawal was scheduled for today.

It will therefore present a non-confidence motion instead.

Book, Newspaper and Souvenir Shop at the Lydda Airport

We are pleased to announce that as from January 1, 1957, we have been granted the concession for the shop at the Lydda Airport by the Ministry of Transport.

All arrangements are being made to provide the public with satisfactory service.

We are accepting offers for representation and sales of Bezalel Art Work, Israel Souvenirs, Bezalel Jewellery etc. Companies and Institutions interested should apply in writing to our Head Office, Beit Hadar, P.O.B. 628, Tel Aviv.

STEIMATZKY'S AGENCY

Social & Personal

The President on Sunday received the Foreign Minister, Mrs. Golda Meir. President and Mrs. Ben-Zvi on Sunday entertained to dinner the Minister of Labour, Mr. M. Namir, and Miss Yael Namir; Mr. A. Harzfeld, M.K., and the engineer, Mr. Olnik.

President and Mrs. Ben-Zvi entertained to tea yesterday Mr. T. W. L. MacDermot, the Canadian Ambassador, and Mrs. MacDermot, and Mr. George P. Kidd, Charge d'Affaires at the Embassy. Mr. MacDermot has concluded his term of office in Israel.

•

Chief Rabbi and Mrs. Nissim yesterday received the Uruguay Minister, Dr. Pedro di Lorenzo, and Mme. di Lorenzo. Accompanying them were the Jerusalem District Commissioner and Mrs. Yeshaya, and the Acting Head of the Latin American Division of the Foreign Ministry and Mrs. Prato.

•

Dr. Jorge Garcia Granados, Minister of Guatemala, will speak at 8.30 p.m. today in Beit Hillel, Jerusalem, on "Evolution of Central America," on behalf of the Central Institute for Cultural Relations, Israel-Ibero, America, Spain and Portugal.

•

Mr. Reuven Barkatt, head of the Histadrut's Political Department, will lecture (in Hebrew) on "Asia and Israel—implications and complications" under the auspices of the Israel Oriental Society-Hebrew University, tomorrow at 8.30 p.m. at the Keren Hayesod hall, 53/A Hayarkon Street, Tel Aviv. The public is invited.

•

Rabbi Bernard M. Casper, newly-appointed Dean of Students at the Hebrew University, addressed the Tel Aviv branch of the Hitahdut Olei Britannia on "Israel and Anglo-Jewry" on Sunday night. Mr. S. Temkin, chairman of the branch, wished Rabbi and Mrs. Casper good luck in settling in Israel.

•

Mr. Moshe Sharett, M.K., will lecture tonight on his impressions of Japan to the Israel-Japan Society for Friendship, at the Z.O.A. House, Tel Aviv.

•

The Tel Aviv Branch of the "Friends of the Women's League for Israel" will hold an Exhibition and Sale of the Products of the Batei Hahalutzot. Opening by the Mayor of Tel Aviv, Mr. Levanon, at 8 p.m. on Wednesday, January 16, at Beit Hahalutzot, 27 King George St., Tel Aviv. The Exhibition and Sale will continue through Thursday, January 17.

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BIRTH

BERNSTEIN — To Rabbi and Mrs. Louis Bernstein, Bayside, L.I., U.S.A., on January 12, 1957, a daughter—a granddaughter to Mr. and Mrs. Samuel Bernstein.

Flint Clay Survey Gets Under Way

BEERSHEBA, Monday. — Exploratory drilling to discover the total reserves of flint clay in the Wadi Ramon has been begun by Harsit Vehol Sah, Ltd. of Beersheba, it was learned today. The survey will be completed in six months.

Flint clay is used primarily for refractory bricks. The known reserves are sufficient to satisfy Israel's needs for 15 years. If additional clay is found, it will be used for export.

In the Wadi Ramon survey, a tunnel will be dug by Harsit in addition to surface drilling.

A sand-washing plant is being built by the company at Dimona for the glass sand of Makhtesh Ramon. It is hoped that the washing operation will raise the sand's quality to that of European standards.

Research is continuing towards the goal of improving the quality of clays, stated Mr. Israel Ilan, the firm's director. He emphasized the assistance received from the Israel Ceramics Research Association.

Cinemas

JERUSALEM

At 3.30, 6.30 and 8.30 p.m.

ARNON: Pillars of the Sky.
EDEN: Beau Brummell, 2nd week.
EDISON: Rock, Rock, Rock.
ORGIL: Attack.
ORION: The Ladykillers.
ONNA: The Last Wagon.
RON: My Sister Eileen.
STUDIO: Forbidden Fruit.
TEL OR: Miami Story.
ZION HALL: "Papa, Maman, Ma Femme et Moi."

TEL AVIV

At 3.30, 7.15 and 9.15 p.m.

ALLENBY: All that Heaven Allows, 3rd week.
ARMON DAVID: "Continente Perdute," 3rd week.
CHEN: Reach for the Sky, 2nd week.
EDEN: Shree 420, 3rd week. Performances at 2, 6.15 and 9.15.
ESTHER: Viva Las Vegas, 4th week.
HAMERCAZ: Those Who Dare, 5th week.
MOGRABI: Carousel.
MIGDALOR: "C'est La Vie Parisienne."
OPHIR: Rock Around the Clock, 2nd week.
ORION: The Man With the Golden Arm, 6th week.
SHDEROTH: Aida.
TAMAR: Summertime.
TCHELET: Cockleshell Heroes, 4th week.
YARON: The Court Martial of Billy Mitchell.
ZAMIR: "Cuore Ingrato," 10th week.

HAIFA

AMPHITHEATRE: The King and I, 2nd week.
ORAH: The Living Desert, 6th week.
ARMON: "Unsad," 2nd week.
EN DOR: Trouble in Store.
ORLY: The Man Who Never Was.
MORIAH: The Rose Tattoo.
MAY: The Court Jester, 2nd week.
ORION: A Kiss Before Dying.
ATHON: Casanova.
PEER: Aware, 3rd week.
GAL OR: "La Bella Di Roma."
Matinee: Captain Carlton.

LAW REPORT

The Jerusalem Post January 15, 1957

In the Supreme Court Sitting As Court of Civil Appeals

Before the President (Justice Olshan), Justices Silberg and Witkon

Rolf Carmen, Appellant, v. Hasneh Insurance Co., Respondents, (C.A.255/55).

No Privity Between Person Injured by Government Vehicle and Insurance Company

The Supreme Court dismissed an appeal against a judgment of the Haifa District Court delivered on July 13, 1956 (C.C.171/55).

On the evening of February 5, 1952, Rolf Carmen, the appellant, was injured in a collision between his car and a jeep belonging to the Ministry of Agriculture which was being driven by an 18-year-old employee of the Ministry. At the time, the provisions of the Civil Wrongs Ordinance did not apply to the Government, so Mr. Carmen sued only the young employee for damages and was awarded IL11,716 by the Court. This decision was confirmed by the Supreme Court.

As Mr. Carmen was unable to collect so large a sum from the employee, he claimed it from the Hasneh Insurance Company on the basis of an insurance policy issued by that company to the Government in respect of the jeep in question. The insurance policy was headed "Motor Vehicles Insurance (Third Party Risks) Ordinance."

In the Haifa District Court, Mr. Carmen claimed privity with the insurance company on the strength of Section 10(1) of the above ordinance which states:

If, after a certificate of insurance has been issued . . . in favour of the person by whom a policy has been effected, judgment in respect of any such liability as is required to be covered by a policy under section 6 (1) (b) is obtained against any person insured by the policy, then... the insurer shall... pay to the persons entitled to the benefit of the judgment any sum payable thereunder in respect of the liability. Section 6(1) (b) requires a policy of insurance to cover any liability incurred by persons specified in the policy in respect of the death of, or bodily injury to, any person caused by, or arising out of, the use of the motor vehicle on the road.

Counsel for the insurance company objected to the application of Section 10 to the case under consideration. Haifa District Court Judge Cohen gave no decision on this point as he decided that, in any case, the employee had not been covered by the insurance since it had not been proved that he had been driving the jeep with the permission of his employers — as required by the terms of the insurance policy. He therefore dismissed the claim.

In the appeal to the Supreme Court Mr. Davies appeared for the appellant and Mr. Lifshitz and Mr. Hermon for the respondents.

Judgment

The President, who delivered the judgment of the Supreme Court, with which Justices Silberg and Witkon concurred, said that the court had decided to consider the question of whether there is privity between the appellant and the respondents before deciding on whether the employee had driven the jeep with permission.

There is no doubt, he pointed out, that, but for Section 10(1) of the Ordinance, the appellant would most certainly not have been able to sue the respondents because of lack of privity between them. It had already been decided by the Supreme Court that the purpose of this section is to create by law a state of privity between the injured person and the insurance company in order to enable the former to file a claim for damages against the latter. (See Psakim 13/253 and Psakim 15/145.)

However, the President continued, it is clear that this section, which introduces so unusual a provision with regard to privity, was intended to make the operation of the Ordinance more efficient and may therefore be used only in such instances of liability which come within the framework of the ordinance. The liability which comes within the framework of the Ordinance is only such as is required by law to be covered by a policy. Liabilities in respect of which there is no such legal duty fall within the framework of the general law of insurance and are not subject to the Ordinance. Therefore in a case where an insurance policy was taken out voluntarily and not because of the requirements of the Ordinance the injured person can hardly claim the right to sue the insurance company on the strength of Section 10 (1) of the Ordinance.

Government Not Obliged

The liability which is required to be covered by a policy, the President said, is that as specified in Section 6 (1) (b) of the Ordinance. Section 6 (1) of the Ordinance forbids the use of any motor vehicle unless it is covered by a policy of insurance in respect of third party risks in compliance with the requirements of the Ordinance. In other words Section 6 (1) is the section which introduces the compulsion to insure against the liabilities specified in Section 6 (1) 4b). But, he continued, section 4 (3) states that *this section (i.e. the whole of section 4) shall not apply to any motor vehicle which is the property of the Government.* Which means that the Government is under no compulsion to take out an insurance policy against third party risks of the nature specified in Section 6 (1) (b) and if it did so, it did so of its own free will.

Consequently, it is impossible, the President said, to say that the judgment given against the Government employee is "in respect of a liability as is required to be covered by a policy under Section 6 (1) (b)" — which is the criterion laid down by Section 10 (1). Therefore Section 10 (1) is not applicable and there is no privity between the appellant and the respondents.

Appeal dismissed with IL100 costs.

Judgment given on December 30, 1956.

Where to go

JERUSALEM

• **Exhibitions:—**

Permanent exhibition at the Department of Antiquities, 25 Rehov Shlomo Hamelekh. New rooms: Prehistory and Israelite period. Educational exhibit: How to arrange small local collections. Special exhibit: Finds from excavations in Jerusalem. 9-1, 3-5, (Fridays and eves of holidays 9-1; Saturdays and holidays, 10-1.)

Conquest of the Desert, Permanent Exhibition. Daily from 10-1, 4-6. On Friday from 10-1 only, closed on Saturday.

1) Contemporary Dutch Graphic Art. 2) Iranian Ceramics, 1500 B.C.—1500 C.E. 3) Lithographs by Honoré Daumier. Exhibit of the Month. Door of an Imamadda (Shi'ite Shrine) Persia, Ispahan, 1293 C.E. (692 A.H.) Bezalel. 9-1, 3-5.

Exhibition of Oil Painting by Fanny Hefter, Paris; Collective exhibition of Israel painters. Nora Art Gallery, 9 Maimon, 10-2; 3-6.

1) Oil Paintings and Gouaches by Ruth Bamberger. 2) Oil Paintings and Drawings by Ruth Schloss. 3) Sculptures by Bruno Simon. Artists House. 10-1, 3-6.

• **Tours:** —

Hebrew University conducted tour. Call 4353, 4077.

TEL AVIV

Italian Specialities. Lunch, Dinner. Soupe a l'oignon. Luky's Bar, 3 Allenby Rd., Tel. 28782.

Relax in elegant atmosphere with a cup of Espresso, at "Roma," 7 Rehov Ben Yehuda.

• **Exhibitions:** —

1. Oil Paintings by Yossel Bergner. 2. Drawings by Aviva Uri. 3. Paintings and Sculptures by "The Ten Group". Tel Aviv Museum. 10-1; 4-7.

• **Music Appreciation Group:**—

High quality recorded classical music with analysis (English). Z.O.A. House. 8.15 p.m.

• **Theatre:** —

Cameri, "Lady Precious Stream," Mograbi, 8: "You Never Can Tell," New Hall, 8.
DO-RE-MI, "Pajama Game," Ohel Sheva, 8.
Ohel, "The Tavern."

GIVATAYIM

• **Theatre:** —

Ohel, "8-5," Noga, 5.15, 8.15.

HADERA

• **Theatre:** —

Habimah, "Black on White," 8.

EMERGENCY PHARMACIES

JERUSALEM: Meir, Jaffa corp. Sansour Bldg., 4192.
TEL AVIV: Kolberg, 23 Allenby, 23235. Moshkevitz, 25 King George, 62050. Yanai, 67 Yehudia Halevi, 62474. Katz, 132 Dizengoff, 28280. **JAFFA:** Lurie, 72 Jerusalem Blvd., 82062. **RAMAT GAN:** Lifshitz, 19 Herzl, 71771. **GIVATAYIM:** Hadassah, Katzenelson cor. Modi'in, 72271. **PETAH TIKVA:** Kuber, 2 Pinsker. **HOLON:** Ribek, Struma Sq. **RISHON LEZION:** Strechilivitz. **REHOVOT:** Burk, 155 Herzl, 266. **HAIFA:** Nordau, 13 Nordau 6939. **KIRYAT HAIM:** Arlosoroff.

EMERGENCY PHYSICIANS

JERUSALEM: Dr. Grunwald, 23 Yehoshua Bun Nun, 62062. Dr. Romanov, 11 Arlosoroff, 61217. Dr. Nussbaum, 27 Malachi, 3483. **TEL AVIV:** Dr. Shaham, 1 Syrkin, 25462. Dr. Grifel, 5 Ben Yehuda, 23466. **JAFFA:** Dr. Weinberg, 4 Rehov 65. Dr. Alhalal, 68 Rehov 4.
HAIFA: Dr. Sherman, 2 Hanof'im, 3424. Dr. Ludwig, 34 Shivat Zion, 67417.

ON THE AIR

FIRST PROGRAMME

332, 240, 33.5 & 41.9 M.

News: Hebrew: 6.35, 7.00 a.m. 1.30, 5.00, 7.00, 9.00, 11.00 p.m. **English news:** 1.45 p.m. **French:** 2.00 p.m. **Arabic Programme** (including News): 8.00 a.m. 2.15 and 6.00 p.m.

6.30 a.m. Service. 6.37 Exercises. 6.47 Musical Clock (R). 7.15 Melodies (R). 9.00 Close Down.

12.00 Music at Noon — Yvette Giraud (Vocalist). 12.30 Music for Two Pianos. 12.50 Housewife's Choice. 3.30 Close Down.

4.00 Light Music requests. 4.40 Vocal Recital by Natalia Berson (Soprano). 5.05 Light Music. 5.10 Tora Lesson, by Dr. N. Lesbowitz. 5.30 Youth Corner. 7.15 We Present Tonight. 7.18 Ron Ami. 7.35 "For Your Health." 7.45 "Looking Down from the Carmel." 8.10 Noah's Ark. 8.45 Talk. 8.55 Bible Reading — Melachim — Chapter 6. 9.15 Concert by the "Kol Yisrael" Orchestra. Conductor: Georg Singer; Soloist: Haviva Winterfeld (Violin): Brahms: Variations on a Theme of Haydn, op. 56a; Avissaf Barnea: Violin Concerto (premiere); Bizet: Symphony in C-major. 10.50 Songs. 11.15 Close Down.

SECOND PROGRAMME

497, 468, 225, 48.9 & 33.3 M.

English News: 10.00 p.m.

IMMIGRANTS' HOUR: 1.45 "From Dan to Eilat." 2.15 Close Down.

5.30 Programme for Yemenites. 5.45 Hebrew Lesson for beginners. 6.00 Light Music. 7.00 Yiddish. 7.20 Lading. 8.00 News in Easy Hebrew. 8.15 Turkish. 8.30 Rumanian. 8.45 Hungarian. 9.00 Interval. 9.20 French. 10.30 Close Down.

KOL ZION LAGOLA (33.3 M.): Programme to South Africa: 6.25 News. 6.35 "From the Federation." 6.40 The 20th Anniversary of the I.F.O. 7.00 News in Yiddish.

Programme to U.K.: 11.20 News. 11.10 "On the Spot." 11.45 Music for wind instruments. 12.00 Easy Hebrew conversation. 12.15 "From East to West."

ARMY PROGRAMME (44.6, 214, 238 & 250 M.): 4.00 Opening. 6.32 Songs. 6.50 "Israel Composers"—with Amiram Rigai (Piano). 7.00 News. 7.10 "Evening Star." 7.20 "I have a query." 8.00 "The Soldier as a Civilian." 8.10 Noah's Ark. 8.45 Songs from Sinai. 9.00 News. 9.15 "The Caine Mutiny," broadcast by Mr Obad. 10.00 Close Down.

B.B.C. HEBREW BROADCASTS: (16.79, 19.62, 14.99 and 31.15 M.): 6.30-7.00 p.m. News. News Talk. Jewish Commentary. The Edinburgh Festival.

Yesterday's Press :

Dulles Too Gloomy On Israel Economy

To Davar (Histadrut), it seems that Mr. Dulles exaggerated somewhat in his black picture of Israel's economic plight. It is not so lugubrious, at any rate, when compared with that of Egypt, Syria and Iraq or with the "normal" situation here before Sinai. On the contrary, with the opening of shipping through the Red Sea we have the feeling that we are on the threshold of economic development. The Yishuv has always been prepared to struggle and even to suffer for its economic welfare, and unawareness of this seems to be the root of misunderstanding under which Mr. Dulles is not the only one to labour.

It must be understood that Israel is in itself an investment country and does not depend upon oil royalties which a handful of rulers squander. It builds, and from the ground up, always looking to the future. And it is that future that its people are always aware of and for which they are prepared to undergo anything.

Herut takes Dulles' statement to mean that America intends to lash Israel with the economic whip in order to get us to toe the line, by cutting off grants and even forbidding American Jewry to send us financial aid. By doing that, the paper writes, Washington will not be doing the State of Israel any harm: it will only help put an end to our inferior position as a receiver of grants and put us on our feet as a self-respecting country living on its own labour and production. Adjustment will not be easy, but the people who have shown readiness to make the supreme sacrifice will certainly not flinch from this coming struggle.

Sanctions Threatened

Hamodia (World Aguda) also interprets Dulles' statement as a threat to apply sanctions against Israel and points out that that would be nothing less than an extension of the Arab boycott. Thus, America will be playing the "Soviet game" to the delectation of that power. Pointing to the fact that America's friendship for Israel was always based on sympathy and understanding, the paper regrets that this friendship has undergone such a radical transformation — even before Sinai, when Israel's request for arms was turned down.

The political battle, writes Ma'ariv, is this week entering its decisive stage and if the U.N. insists on our evacuating Sharm e-Sheikh without adequate guarantees there is sure to be an explosion. But the people in Israel should know that it is not the two or three days of dramatic events that will determine the outcome of the contest but rather the nation's firm determination to stand its ground, no matter what the consequences.

Haboker (General Zionist) insists on the fact that psychological warfare is not less important than actual battles and that if we are not to lose in the political field what we have gained on the battlefield it is imperative that we organize a strong publicity campaign.

At the Cinema

"SUMMERTIME" (Tamar, Tel Aviv) is a charming and touching film which is a delight to the eye from the moment it opens with the train racing into Venice. The story of the not-so-young American spinster who comes to Italy looking and longing for life and love and yet terrified when she encounters them, has been directed with delicacy and a sure touch by David Lean. Katherine Hepburn makes a real person out of Jane Hudson and depicts her trembling anguish at the robust approach of reality in a moving manner. As for Rossano Brazzi, he is the most attractive male lead to have been seen in a long time and every woman in the audience must wonder how Jane has the strength of will to leave him as soon as she does.

But the main enchantment of the picture is Venice itself, incomparably lovely in all aspects, bathed in the sparkling light of an eternal summertime. *S.W.*

Easy Way Out

DESPITE its sensational title, "A Kiss Before Dying" (Orion, Haifa) is a normal thriller of murder committed to escape a predicament and leading on to a second murder, while a third is barely averted. Crime does not pay and the assassin is hurled to his death by slipping over the mine edge. Richard Wagner plays the student who chooses the easy way out. Virginia Leith is the dead girl's sister who first suspects murder, not suicide, and later finds herself facing the same fate. Colour, a Southern university's campus, a luxurious home and sunlit streets form the background to "A Kiss Before Dying." *H.*

Togliatti Manoeuvres To Avoid Internal Clash

ROME, Monday (UP). — The Communist Party chief, Mr. Palmiro Togliatti, has launched an all-out effort to avert a showdown with anti-Moscow Communists in the Central Committee of his party which opens its meeting later today.

He placed a sudden emphasis on organisational and labour problems and carefully omitted political issues from the Central Committee agenda to deprive his enemies of any pretext for a battle. Whether his move would succeed was an open question.

Former Finance Minister Fausto Gullo might try to force a showdown all the same, or he might decide to postpone it until a more favourable occasion. Mr. Gullo, and Mr. Togliatti's other enemies were in no hurry. They felt time was working for them.

The party's worst postwar crisis is deepening by the day, as minor party officials and small groups of party members kept quitting daily all over Italy. The rebel followers of expelled Eugenio Reale grow bolder and opponents of Mr. Togliatti have full control of the party branches in Leghorn and Cuneo and were reported organizing a "liberal" faction in all main cities.

Sukarno Pledges To Avoid Bloodshed

JAKARTA, Monday (UP). — President Sukarno assured a delegation from rebellious North Sumatra yesterday that the Government would "refrain from using force" in its handling of the situation in the island.

Reports said that Pangabbean, leader of the six-man delegation from the Christian Batak sect, told newsmen yesterday after meeting for the first time with Mr. Sukarno, that the Government of Premier Ali Sastroamidjojo had been following a policy of splitting various religious sects and setting them against each other, in an effort to hold down the spreading Sumatran revolt.

'Algerian' Surrenders In Gaza Strip

BEERSHEBA, Monday. — A man claiming to be an Algerian in the French Army surrendered yesterday in the Gaza Strip to an Ashkelon resident and was handed over to the police.

The man, who said his name was Ahmed Ben Hasem Duadi, approached Mr. Shalom Leibowitz of Ashkelon in the town of Jabaliya, north of Gaza, and asked to go to Israel.

He said that he was an Algerian in the service of the French Army. After taking part in the invasion of Port Said, he allegedly made his way across the desert to the Gaza Strip on his way to Israel.

He carried no identification, and was detained by the police for investigation.

Bahrein Contribution For Relief in Egypt

BAHREIN, Monday (Reuter). — Sheikh Sir Sulman Bin Hamid al Khalifa, the ruler of Britain's Persian Gulf protectorate of Bahrein, announced yesterday that a further £10,000 has been collected for relief in Egypt.

This raises the island's total contribution to about £29,000.

Eddie Cantor Collapses After T.V. Show

HOLLYWOOD, Monday (UP). — Eddie Cantor, famous comedian of vaudeville, movies and television, collapsed Friday night after appearing on an hour-long television show in honour of his 65th birthday and was taken to Cedars of Lebanon Hospital for "rest and observation."

Witnesses said the comedian, who did several strenuous dance numbers and sang several of his famous songs, "just sat down" after the show and appeared to be completely exhausted.

A DISABLED veteran of the War of Liberation, 25-year-old Moshe Mizrahi of Jerusalem, yesterday slashed the ear of the director of the Rehabilitation Office with a knife. The director, Mrs. Minka Mohliver, was given first aid treatment and Mizrahi was detained. Mrs. Mohliver charged he attacked her after she said he could not be given immediate aid. *(Itim)*

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Convalescence. Any diet upon request.

He Who Laughed Last

BANGKOK, Monday (Reuter). — A man laughed himself to death in Bangkok Sunday night over a joke made by his wife.

The wife told hospital authorities she was having supper with her 36-year-old husband, Nai Noam Samran, when she made a remark and they both started laughing.

They laughed and laughed till she noticed her husband's laugh had become fixed. He fell to the floor in a convulsion and died in an ambulance on the way to hospital.

Asked what she had said to start her husband laughing, the wife said, "I do not remember."

No Secondary School For Pardess Hanna

Jerusalem Post Reporter

The Ministry of Education and Culture has refused financial or pedagogical assistance to Pardess Hanna for the establishment of a secondary school there.

This is in line with the prevailing opinion of Ministry authorities that a multiplicity of small secondary schools results in the lowering of teaching and technical standards. They have refused assistance to Pardess Hanna on the grounds that the town already has an agricultural secondary school, and that two regular secondary schools are available at Binyamina and Hadera, both about 5 kms. from the town.

Meanwhile, the Ministry has established a committee to examine the possibility of merging small secondary schools, particularly in rural areas. The aim is to invest available funds in one high-standard school for an entire district.

The merger of the Kiryat Motzkin and Kiryat Haim schools is now being negotiated.

London Troupe Welcomes Israel Dancer

LONDON, Monday (INA). — Britain's Festival Ballet Company welcomed 21-year-old Reuben Voremberg, an Israel dancer who has been awarded a one-year scholarship by the company as a gesture of goodwill to Israel, at a reception between appearances at the Stoll Theatre last Friday.

Voremberg recently completed his military service and is a veteran of the Sinai campaign.

The Israel Press Attaché, Mr. Leo Savir, thanked the company for their generous gesture and recalled their highly successful visit to Israel last year.

Rabbi Stollman Heads U.S. Religious Zionists

ATLANTIC CITY, Monday (UP). — Rabbi Isaac Stollman of Mishkan Israel Synagogue, Detroit, was elected President of the newly-organized American Religious Zionist Organization at the close of the groups' convention yesterday.

The Religious Zionist Organization was formed here last week by the merger of the Mizrahi and Hapoel Hamizrahi organizations.

One thousand delegates representing the organization's 150,000 members participated in the balloting.

Prisoners Used For Schizophrenic Research

ATLANTA, Georgia, Monday (Reuter). — Sixteen prisoners at the U.S. Penitentiary here are being paid $3 a day for taking drugs which make them temporarily insane.

They are also being allowed a remission of three days a month off their sentences.

The prisoners are voluntarily taking a potent drug that induces symptoms of schizophrenia, a common mental illness marked by unreality and disintegration of personality.

By feeding them other drugs as an antidote, researchers hope to find a cure for the malady.

GERMANS. — Britain is to recruit 40 German mining engineers to help run Britain's state-owned coal industry, it was announced in London yesterday.

'Austria' of Vienna Coming to Play Here

The famous "Austria" team of Vienna is to play a series of games here, according to a letter received here on Saturday last. The team is due to arrive on January 29, and will play their first game against a National side, still to be chosen, the next day.

On February 2, when there is no major League programme, the Austrians will play Tel Aviv Hapoel. A third game is slated against Petah Tikva Hapoel, while negotiations are proceeding in connection with a possible fourth match.

"Austria" are already on tour and have played in Spain, where they beat Valencia, 2-1, and lost, by the same score, to Athletico Bilbao. The touring side are due in Turkey to meet the top sides of Istanbul and Ankara prior to coming here. Of the 15 players in the team, 12 are internationals.

Doomed Indian Town Readies for End

NEW DELHI, Monday (Reuter). — The doomed town of Bilaspur in the foothills of the Himalayas is preparing for death at the hands of the giant Bhakra Dam which is to be the highest in the world.

When it is completed in three years the River Sutlej, which now flows turbulently below Bilaspur, will rise and spread out into a 50-square-mile lake submerging the town. For the past five years the town's 3,700 population have known their fate, and stunned disbelief has now given way to preparations for the move to the site of the new town higher up in the hills.

The gods from Bilaspur's 1,000 year old temple will reverently be carried in procession to their new shrine. But once a year, during the drought that precedes the monsoon, the ghost of Bilaspur will rise again as the water in the reservoir drops and the temple spires and the skeletons of the ancient palaces of the Rajahs of Bilaspur will emerge from the lake.

It may even be possible for landless peasants to reoccupy the dead city and sow one crop on the rich alluvial soil before the rains of the monsoon submerge the town again.

Dubbah Disturbed By Covetous Mate

Jerusalem Post Reporter

The lying-in period of Dubbah, the 200-kilogram Syrian bear who is still "expecting," was violently disturbed yesterday at the Jerusalem Biblical Zoo.

Her mate, Dubbie, just double her weight, became jealous of the warm straw bed she had made for herself. He tore down the bars separating their double cage and burst in.

Three zoo workers soon restored order and repaired the bars. They gave Dubbie some new straw to pacify him.

Some time ago, both were given straw. Dubbah, a good housekeeper, proceeded to build her bed in a high place, away from the water. Not so Dubbie, and by yesterday his bed was soaking wet.

The pair was separated when it was learned that Dubbah was about to give birth. Not only does she become extremely nervous if he is close by during this period, but the danger also exists that he may unintentionally trample the cub to death.



SHORTLY IN TEL AVIV

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A.S.A. Holds Annual Congress in Capital

By FEITH BEECHER

The 4th. Annual Congress of the Academic Sports Association (ASA) was held in Jerusalem over the week-end — the first time in the Capital. The 30 delegates, representing over 7,000 members, were greeted by Dr. P.I. Jacobi, Deputy Mayor, on behalf of the City. Mr. Ben Or, Deputy Director of the Ministry of Education and Culture, Professor Grushka, for the Hebrew University, and representatives from the Prime Minister's Office and the Hapoel sports movement were among the guests.

ASA, which started its life a short four years ago, has now become an important and integral part of the sports life of the country and has now extended itself to include students and past students of the University, Technion and the Tel Aviv Schools of Law and Physical Training.

The organization has now its own Leagues running in all sports and in addition has, as of this year, one team participating in the National Handball League (the Technion), two in the National Fencing League (Jerusalem and Haifa) and is negotiating to enter the National Basketball League.

The Congress was marked by its complete orderliness, unanimity and friendliness, which expressed itself too in the elections which resulted in the unanimous re-election of a number of offices, including Mr. Adin Talbar (Theilhaber) as National Chairman for the fourth time; Messrs. Kurt Marx and Walter Fraenkel, as sports advisers; and Mr. S. Schumacher, of the Tel Aviv P.T. School, as Chairman of the Organizing Committee. Mr. Haim Che'il, former Technion student, was unanimously elected Honorary Treasurer.

All Active Sportsmen

Changes in the Constitution included a provision that all functionaries of ASA (whether current or former students) must be regular participants in one branch of sport, so that all members of the governing bodies of the movement would be active sportsmen. The organization decided to submit a request to the Israel Amateur Sports Federation that students, during their period of study, be released from any former sports clubs, to avoid the problem of "double membership," which has arisen to date, and also to avoid the period of one year of non-activity imposed under the current rules should a student wish to become an ASA member and take part in sport for them.

A resolution was passed to participate in the World Students Games in Paris during the Summer of 1957. Over 60 nations, from both the Western and Eastern students sports bodies (the Federation International du Sport Universitaire and Union of Students Association) will compete for the first time together for over 10 years. ASA proposed that their delegation to Paris include a basketball team, track and field athletes, tennis players, and a fencing team.

'LARGEST' SOVIET FAIR OPENING IN CAIRO

The Cairo weekly "Akhbar el Yom" has reported that the Soviet industrial fair to open in Cairo this week will be the largest of its kind ever held in the Middle East.

A Soviet helicopter has been brought to the fair grounds and will fly visitors over the Egyptian capital. Several Russian ships have unloaded a vast amount of exhibits for the fair.

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(POSTS, TELEGRAPHS, TELEPHONES AND RADIO)
TENDER No. 2/57

Tenders are invited for the supply of Plastic Insulated Telephone Wire as follows:

Description	Quantity
1) Drop Wire Plastic Insulated 2x0.9m/m	250 kms.
2) Wire P.E.J. Plastic Insulated 1.27/2.20 diameter. The copper wire will be supplied by the Post Office	250 kms.

Tender forms and further particulars can be obtained from the Director of Engineering Services — Telephones, G.P.O. Jerusalem or from the Director of Acquisition Division, Ministry of Posts, Tel Aviv, Abu Kabir.

The tender must be accompanied by a letter of guarantee or a cheque of a well known bank amounting to 10% of the amount of the quotation, which will serve as a guarantee of good faith.

Tenders must include the dates of delivery in their quotation.

A certificate to the effect that the tenderer has fulfilled his obligations as regards income tax is to be enclosed with the tender.

Tenders accompanied by the guarantee must be addressed to the Director General, Ministry of Posts, Jerusalem, in double envelopes. The inner envelope is to be superscribed "Secret — Tender for the supply of Plastic Insulated Telephone Wire." The outer envelope should bear the sender's name and address.

Tenders not submitted in the above manner will not be considered.

Tenders must be submitted not later than January 29, 1957, 12 noon.

The Director General of the Ministry of Posts is not bound to accept the lowest or any tender nor to order the entire quantity from a single contractor.

Tenders by telegraph will not be accepted.

DIRECTOR GENERAL,
Ministry of Posts.

RENEWING LICENCES FOR RADIO SETS

The Post Office wishes to remind the public that licences for radio sets have expired on December 31, 1956.

In accordance with the Defence Levy Law—1956, all owners of radio sets must pay an additional IL3 on their licence for "Yahav Mazen."

The licence card must be presented when applying for a renewal.

Persons with clearing accounts in the Post Office Bank (Bank Hadoar) may renew their licences through the Bank upon submitting the licence.

Owners of radio sets who do not renew their licences by February 15, 1957, will be charged an additional 20%.

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Offers to: No. 6341, P.O.B. 498, Tel Aviv.

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FASHION DESIGNING
at the ART INSTITUTE No. 2 under the direction of Mrs. Rivka Zick, graduate Paris teacher.
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Israel Technological Institutes
24 Ben Yehuda Road Tel Aviv Tel. 21416



Today's Postbag

WEATHER

FORECAST: Fair.

	*A	B	C	D
Mt. Cana'an	89	4	11	12
Tiberias	82	9	16	17
Haifa Port	44	10	12	14
Natanya	68	9	19	20
Tel Aviv Kirya	82	1	20	21
Tel Aviv Port	82	10	18	19
Lydda Airport	89	7	12	21
Jerusalem	62	1	12	13
Beersheba	89	4	17	18
Eilat	82	6	21	22
Sdom	68	6	20	22
Solomon's Bay	—	—	—	21

*A) Humidity at 5 p.m. B) Minimum temp. C) Maximum yesterday. D) Maximum temp. expected today.

ARRIVALS

Mr. K. Negishi, the Japanese Charge d'Affaires, from Cyprus, after a one-week holiday in Nicosia (by B.E.A.).

Prof. G. R. Driver, Lecturer in Semitics, at Oxford University, from London as guest lecturer at the Hebrew University.

ASHER MAYUST of the Kurdaneh Bet ma'bara complained to the police last week that his immigrant's baggage stored at the Kurdaneh stores was rifled. When it arrived in June last year, it weighed 168 kgs. It now weighs 81 kg. This is the second complaint of theft at the Kurdaneh stores in recent weeks.

High Official On IL13,000 Charge

TEL AVIV, Monday. — The Police today arrested Mr. I. Sachar, Assistant Director of the Grant-in-Aid Office in the Finance Ministry. He is suspected of being party to the embezzlement of thousands of pounds, revealed in a check of the Office's books.

The suspect will be charged in the Magistrate's court on Tuesday.

The police investigation was invited by the Ministry of Finance, after serious inaccuracies were revealed during an audit.

During the first stage of the investigation, Mr. Sachar was given leave by the Ministry.

Although all the details have yet to be revealed, the Police consider that at least another four persons are involved in the case. One of them is an official at present abroad, whilst another is still working in the Department.

An item which drew the Police's attention was a supposed payment to the Dan Bus Company of IL13,000 on account of a Government grant.

Dan spokesmen said that they had not received the money. The Police discovered that the cheque for IL13,000 was cashed in an Ashkelon bank, into the account of the Hashomer Hatzair Kibbutz Zikim. The treasurer of the Kibbutz has been questioned by the Police on the matter.

KEY-MONEY PROBLEM

The committee appointed by the Minister of Justice to study the key money problem may be expected to complete its work in the near future, the Minister, Mr. P. Rosen, told the Knesset yesterday. He was replying to a question by Mr. Y. Almogi (Mapai).

Marcelle Ninio Said Treated Brutally in Egyptian Jails

LYDDA, Monday. — Marcelle Ninio, the young Egyptian Jewess who is in prison for "Zionist activity," was still in good spirits despite brutal police treatment, an expelled Egyptian Jewess said on arriving here today. She came with a group of 70 Egyptian immigrants, some of whom spoke Hebrew.

The newcomer, director of the Jewish communal social welfare bureau in Cairo, was the first Jewess to be arrested and the last released by the Egyptians. She had been held for four-and-a-half months in four jails in Cairo and Alexandria. Last Thursday she was taken straight from the infamous Barrages jail in Cairo and put aboard a boat five minutes before it sailed. All the property she had now were the clothes she was wearing.

No more Jews were being arrested, she said, they were all being deported.

Other arrivals told of the imminent expulsion of the whole Jewish community in Alexandria. With the mass deportations of Europeans and of Jews, commerce and industry were at a standstill.

Salt had vanished from the shops, and the price of kerosene had more than doubled, with a monthly ration of two litres per person. Medical supplies were very scarce, and imported goods had "gone under the counter."

Kol Yisrael Jammed

Radio equipment for the bombed Cairo broadcasting station had arrived from Russia, they said. The Egyptians had successfully "jammed" reception of Kol Yisrael broadcasts for over a month with the help of Russian technical aid.

Egyptian customs officials had robbed them of their remaining valuables, and shipping companies had exploited their desperate position, and took fantastic prices for berths.

A former Egyptian Freemason told of discrimination by leaders of local orders against Jewish members. All Jews who had received at any time letters from Israel had been put on a "black list" and their businesses confiscated at the first opportunity.

The problem of the Egyptian Jews will bring together Jewish leaders from various countries who will meet in New York on January 21. Participating will be leaders of American Jewish bodies and delegates coming to New York for this week's conference on reparation claims from Germany. The meeting on January 21 has been called by the Jewish Agency.

Deputy Chief Rabbi Of Egypt Here

LYDDA AIRPORT, Monday. — The Deputy Chief Rabbi of Egypt was among a group of 31 expelled Egyptian Jews who arrived by El Al from Rome today.

Speaking in fluent Hebrew, he said that synagogues were still open for prayer when he left Egypt. The Rabbinate does not prevent the departure of members of its staff who had not yet received expulsion orders. In fact, it encourages the exodus, he said.

Chief Rabbi Haim Nahum had wanted to resign two months ago, but relinquished the idea after entreaties from the heads of the communities, he said. Some 16,000 Jews were still in Cairo, and the majority would reach this country by Spring.

The newcomer had been allowed to leave Egypt with only a LE100 in travellers' cheques, but the Express Company refused to cash them in Italy.

20,000 Egyptians Expected by May

Between 20,000 and 25,000 Egyptian Jews will reach Israel's shores within the next four months, two special emissaries of the World Federation of Sephardi Communities declared in Jerusalem last night.

Mr. David Biton and Mr. Ya'acov Nitzani, M.K., said there were now 7,000 Egyptian Jewish refugees in European ports.

The speakers were reporting to a meeting of the Sephardi Community Committee held at the Kings Hotel. They returned last week from a month's mission to Europe to urge the refugees "not to change one land of exile for another." The mission was sponsored by the Federation and initiated by the Foreign Affairs Department of the Jewish Agency.

Egyptian ships, under the supervision of the Red Cross, were now being used to evacuate Jews to Europe, the speakers revealed. They lauded the political and moral aid given by the Jewish communities in France and Italy and noted that there was a tendency among Italian Jewish communities to work for the permanent absorption of the refugees in Italy in order to strengthen their own communities.

Of the 50,000 Jews living in Egypt in 1950 (some 30,000 had emigrated to Israel between 1948 and 1950), 15,000 had managed to leave prior to the Sinai campaign, it was reported. Of those remaining, some 15,000 were foreign nationals (half of them with Italian citizenship) and the remainder either Egyptian citizens or stateless.



Anti-Zionist Leader in the U.S., Mr. Lessing Rosenwald, is shown here presenting one of a number of first edition facsimiles from his library to the Prime Minister before their private talk at Mr. Ben-Gurion's home in Jerusalem on Sunday night. Mr. Rosenwald is Chairman of the Board of the American Council for Judaism. Photo by Rubinger

Rosenwalds See Kibbutz, H.U.

Jerusalem Post Reporter

A full tourist's schedule occupied the second day of the visit of Mr. Lessing Rosenwald, noted anti-Zionist leader, and his wife who are spending 10 days in Israel at the invitation of Prime Minister Ben-Gurion.

Mr. and Mrs. Rosenwald saw the Conquest of the Desert exhibition in Jerusalem and toured the new campus of the Hebrew University. They visited the Sha'arei Zedek Hospital, where Mr. Rosenwald renewed acquaintances with Dr. Falk Schlesinger, director of the Hospital.

The Rosenwalds had dinner at Kibbutz Ma'ale Hahamisha and continued on to Tel Aviv, where they met with U.S. Ambassador Edward B. Lawson. Later last night, they were to have attended the concert of the Israel Philharmonic Orchestra.

Chagall Gives 105 Pictures to Museum

Jerusalem Post Reporter

TEL AVIV, Monday. — Marc Chagall has presented 105 illustrations of the Bible to the Tel Aviv Museum. The artist started work on the illustrations over 30 years ago, when he first visited Tel Aviv. The exhibits will first be on display in the Museum, and then be shown throughout the country.

Z.O.A. House Body For Divine Services

TEL AVIV, Monday. — A meeting of an initiation committee to consider the holding of regular religious services throughout the year at Z.O.A. House was held here yesterday. The form and organization of the project were considered and it was decided to call a further meeting with the participation of additional members of the community.

It is particularly hoped to attract young people, women as well as men, to these services, and to adapt tradition to present day conceptions of Divine service, announced a spokesman for the Founding Committee.

Those interested in joining this effort are urged to communicate with Z.O.A. House.

Jordanian Smugglers Drop Cargo on Flight

BEERSHEBA, Monday. — About 1,075 cigarette lighters and 14 bales of cloth were dropped by smugglers who escaped across the Jordan border Sunday night, after being intercepted by a security patrol.

The patrol opened fire on the smugglers who were on the way to Hebron. The value of the merchandise which was left behind is estimated at IL2,000.

The only known casualties were two donkeys of the smugglers, one dead and one wounded, which were left behind by the infiltrators.

Early this morning, a group of five Arabs was caught by a security force in the Negev. The Arabs claimed that they were residents of the Gaza Strip and that they had previously escaped across to Jordan.

Life in Jordan was too difficult, they stated, and they were trying to return to the Gaza Strip. It was reported that the group carried some smuggled goods.

Jordan Bans 20 Armenian Pilgrims

Jerusalem Post Reporter

The Jordanian authorities yesterday banned 20 Israeli pilgrims from crossing over into Jordan to celebrate the Armenian Christmas this Friday. About 500 persons are expected to cross.

Mr. Najati Nashashibi, Director of the Liaison Office of the Jordanian Foreign Ministry, informed Mr. Rafael Levy, Jerusalem District Officer, of the names of those rejected at a meeting yesterday at U.N. House near Mandelbaum Gate in Jerusalem. He gave no reason for this step.

Another meeting is to be held this week. It is likely that another list of persons rejected will be submitted.

1956 Year of Economic Progress

Jerusalem Post Reporter

The economy made important strides forward in the first nine months of 1956 although the country's adverse balance of trade increased by 33 per cent, according to the Finance Ministry's Economic Research Report presented yesterday to the Knesset.

The balance of payments in 1956 shows that larger raw material imports and the building up of general reserves of commodities were responsible for the increased expenditure, while fewer consumer goods were imported. Exports increased by 21 per cent, and most of this increase went to hard currency countries. The expanded Israel merchant marine is largely responsible for the added foreign currency income from services. As a result of increased purchases, including defence buying, not balanced by a comparable rise in foreign currency income, foreign currency reserves dropped in 1956.

Agricultural production in 1955/56 increased by 20 per cent over the same period in the previous year. This is explained by higher productivity, as well as the larger area tilled and under irrigation.

Industrial Output Static

Industrial production in the first 10 months of 1956 registered only four per cent increase. During this period, the number of persons employed in industry hardly changed. There were considerable increases in metal and mineral production, while clothing and foodstuffs industries recorded certain drops in output.

Building of residences slowed, approximately one quarter fewer houses being begun in 1956 than in the previous year. Building costs rose by eight per cent, and over 60 per cent of the total number of houses begun were in "development areas."

In the year ending in September 1956, the population increased by 4.6 per cent, and the labour force grew in proportion to the general growth. During this period the number of unemployed increased by nine per cent, partly as a result of fewer emergency employment projects.

Basic salaries of industrial workers increased by 11.3 per cent in the first eleven months of 1956, and salaries were further increased by 8.7 per cent as a result of increased cost-of-living allowances. The C.-o.-L. Index itself rose by nine points to 242 between December 1955 and November 1956.

Foreign currency income from Germany and from private sources and institutions rose to $210.6m. in the first nine months of 1956, an increase of $50.2m. over the same period in the preceding year.

The adverse balance of trade in the January-September 1956 period averaged $169 per capita, 6.4 per cent higher than in January-September 1955. The average exports per capita rose by $6.4 to $48.6, while imports rose by $13 to $155.6.

An important reason for the comparatively small increase in industrial exports is that Turkey's purchases from Israel in the first nine months of 1956 were reduced to one third of her purchases in the same period in 1955.

The United Kingdom and the U.S. purchased over 40 per cent of Israel's exports. Britain bought more than $20m. worth in the first nine months of 1956, the bulk of which was citrus. The U.S. bought goods to the value of about $14m., 70 per cent of which was polished diamonds. Finland, Belgium, West Germany and France each purchased more than $3.3m. during the same period.

According to the report agricultural exports increased their added value by 0.8 per cent to 72.4 per cent, while the added value of industrial exports increased by 2 per cent to 52.2 per cent. Of the $81.2m. exported in the first nine months of 1956, $44.2m. was added value.

Israel spent $39.6m. for fuel and oil from January to September 1956, $4m. more than in the first nine months of 1955. Up to the end of September, the Heletz oil wells produced 15,154 tons.

The U.S. was the source of 32.5 per cent ($91.2m.) of the imports in the first nine months of 1956. Second was Germany with 20.3 per cent ($57.4m.), followed by England with 9.8 per cent.

Foreign currency debts of Israel rose by $17.7m. to $468.5m. from December 1955 to September 1956. This is explained mainly by the increased sale of Development Bonds.

Citrus Consignment To Rumania

HAIFA, Monday. — A shipment of 7,500 cases of citrus fruit, 25 tons of bananas and 70 tons of cocoa for export to Rumania is to be sent in the s.s. Sulina this week. The Rumanian ship arrived today with a cargo of timber.

The citrus will be the second shipment to Rumania, which so far is the only Eastern bloc country taking Israel fruit this year.

Small quantities of citrus from Gaza are among the fruit now being loaded in the port. Several thousand cases of Gaza citrus have already been shipped.

EIGHTEEN refugee families from Egypt who arrived at Lydda Airport this morning were settled in Dimona today. Several other families were sent to Ofakim.

2,000 Parking Lots On Mt. Canaan

SAFAD, Monday.—Two parking lots for a thousand cars each are being prepared on Mt. Cana'an and south of the town's new industrial centre. They will solve the annually recurrent problem of congestion at the Lag B'Omer festivities at Meron where parking space is scarce, since every spare dunam there has been converted into orchards.

Safad will become the traffic centre for the area and the new arrangements will allow tens of thousands of persons to take part in the celebrations without inconvenience.

Union Calls Nesher Clerks' Strike Illegal

HAIFA, Monday. — The Clerks Union Secretariat today condemned the strike of 110 Nesher Cement Works clerks and foremen as a "grave breach of Histadrut discipline and an unlawful step."

The men today started a two hours a day strike to protest the conversion of their 20 grade pay scale to conform to the 12 grade Government scale. The clerks claim that they lost seniority and family allowances as a result of the change.

The Union countered that these discrepancies were the subject of negotiations to be concluded soon.

2 M.K.'s Elected To Judges Committee

Dr. Zorach Warhaftig (Hapoel Hamizrahi) and Dr. Nahum Nir (Ahdut Ha'avoda) were yesterday elected by the Knesset as members of the Judges Nominating Committee.

Under the Judges Law, two members of the committee which nominates judicial candidates to the President are Knesset Members.

The election was put off for a few weeks in an effort to achieve Coalition unity, but to no avail: Mapam members demonstratively stayed out of the hall during the election. Their candidate was Dr. Hanan Rubin.

Other candidates were Dr. Y. Bader (Herut) and Dr. B. Harel (General Zionist).

Bigger Profits From Carton Citrus

Samuti oranges in Cargal cartons fetched an average of 3s. more than shamutis in wood cases, Cargal Company announced yesterday on the basis of market reports just received from London.

The announcement said that 17,000 Cargal cartons of shamuti citrus unloaded from s.s. Ingrid Gorthon reached the London market "in excellent condition."

The saving and earning on each of the 17,000 cases, according to the Cargal spokesman, was an extra $1.00 in foreign currency while citrus growers save or earn an additional IL1,000.

Lavon Committee Hedges On Kupat Holim Reforms

TEL AVIV, Monday. — The Histadrut "Lavon Committee," now studying proposed reforms for Kupat Holim clinical practice, will probably suggest a dual system of pay for its doctors, it was learned today. It will propose that only new doctors be paid according to the number of patients seen, while the remainder continue on the present system of fixed salaries.

It was originally proposed that all doctors be paid on a per capita basis, and the new suggestion is seen as a concession to veteran physicians.

The compromise suggestion, however, was virtually rejected by the Kupat Holim Doctors Association at a Council meeting today. It passed a resolution advocating one system of pay for all doctors.

Kupat Holim has been pressing for the introduction of a closer relationship between patient and doctor and the granting of a free choice of doctor to the patient. The point of free choice has been accepted by the Doctors Association.

Doctors Disgruntled

Present at the doctors' meeting were Mr. A. Becker, head of the Histadrut Trades Union Department and a member of the Lavon Committee; Mr. Simha Blass, head of the Histadrut Department for Professionals, and members of the Kupat Holim Executive.

It is understood that Mr. Blass urged the disgruntled doctors to adopt a more conciliatory stand while sympathizing with some of their complaints.

The Council meeting also called for income tax remissions on physicians' overtime, and particularly for doctors practising "round the clock" in settlements.

Various resolutions were raised at the Council meeting to be taken up later at the Medical Association conference, to be held in about a month's time, after the conference of Kupat Holim next month.

Polio Campaign To Reach Eilat Tomorrow

BEERSHEBA, Monday.—Eilat is the next stop in the polio vaccination campaign. Inoculation of about 100 children in the port town will take place Wednesday and Thursday.

The Beersheba office of the Ministry of Health sent the vaccine to Eilat today, together with persons who will instruct the doctor and nurse in Eilat regarding the inoculation procedures.

In the Negev area, 4,550 of the 5,000 children included in the campaign have already been vaccinated. The remainder are infants who will be vaccinated in March. Meanwhile, all children of appropriate age who arrive in the area — such as immigrants — receive the vaccine immediately.

The inoculation campaign will start among Beduin children on February 1.

VACCINATION POSTS

Elsewhere throughout the country, the anti-polio campaign continued with inoculations already completed in some areas.

In Jerusalem, the inoculation station in the Beit Yisrael quarter will close tomorrow. In Katamon a station will be opened on Thursday at the Hadassah centre, Hiskiahu Hamelekh Street.

In Haifa, the inoculation station at 30 Syrkin Street in Hadar Hacarmel will close today. The stations in Givatayim and Bnei Brak are closing tomorrow.

An additional station will be opened today in Holon, at the Municipal Infirmary in Shikun Amami, Sderot Kugel. Inoculation will begin today in Gedera at the Beit Ha'am.

The vaccination station in Beit Hapoalim in Afula is being closed today. It will be possible to receive inoculations in the hospitals of Afula today and tomorrow.

The campaign ended in Natanya last week, according to schedule. Children who missed the inoculation may obtain it tomorrow, from 9 a.m. to 1 p.m. at Tipat Halav station, Smilansky Street, opposite from Beit Ze'ev.

KNESSET PASSES POSTER BILL

The bill on the Defacement of Property, whose purpose it is to curb the pasting of posters and the scribbling of slogans on building walls, passed its final reading in the Knesset yesterday.

It was opposed by the Communists, while Herut, Mapam, and Mr. I. Rokach (General Zionist) abstained.

The only change made in Committee was that the penalty was reduced to a fine of IL2,000 or one year in prison, but not both of them.

Wanted Destitute 'Applies' to Police

A destitute young man, who yesterday applied to the Jerusalem police for food and a "room," and refused to quit the police building until he obtained them, was welcomed with open arms.

He was recognized as Jack Ajaji, 24, of Nes Ziona ma'abara, who is wanted by Rehovot police on charges of burglarizing an apartment.

Jerusalem police also decided to give him a free ride to Rehovot to face charges.

Haifa Officially Opens Underground Passage

HAIFA, Monday. — "May this tunnel serve as a passage way, not as an air raid shelter." With these words Mayor Abba Khoushy this afternoon opened the underground pedestrian tunnel at the junction of Herzl and Balfour Streets — his briefest dedication speech yet.

Right after the official opening the surface crossing was closed to pedestrian traffic by fences on either side, and the indicators "Wait" and "Go" disconnected, but not before a stream of curious sightseers, mothers with prams, shoppers and just passers-by passed through the tunnel in both directions.

The marble-lined passage, its middle section brightly lit by fluorescent bulbs, is 37 metres long, if the two exits are included, and, according to the Municipality, was a tough construction job to execute. Power and telephone cables and water mains precluded blasting, and the rainwater drainage and sewage pipes had to be re-laid. The work was carried out by Solel Boneh and was paid for out of the city's emergency funds.

Tender Published

Yesterday the Municipality published a tender for the construction of a city theatre adjoining the Gan Binyamin on Rehov Pevsner. It will be built according to the prize-winning plan of architect S. Gil'ad and will include a 900-seat theatre with a modern stage, a library and reading rooms. It is to form the nucleus of a cultural centre, the Municipality spokesman said.

The theatre will face Rehov Pevsner and its front will be mainly of glass. The construction of the concrete frame alone is expected to take ten months.

18,100 Jobless Now Listed

The daily average of registered unemployed during the week ending January 4 rose by 1,860 to a total of 18,100, of whom 11,046 are unskilled labourers, 2,770 women and 3,054 skilled workers.

Unemployment centres were: Haifa, 2,561; Tel Aviv, 1,921; Jerusalem, 1,084; Petah Tikva, 967; Ramat Gan, 785; Lydda, 607; Ashkelon, 591; Rishon LeZion, 578; Acre, 548; Bnei Brak, 461; Rehovot, 455; Ramle, 453; Natanya, 382.

Accounting for the rise were dismissals from various firms and new Labour Exchange registrants from the ranks of new arrivals.

Khoushy Refutes TA Claim to Exhibition

HAIFA, Monday. — Mayor Abba Khoushy today reacted vigorously to the claim of Tel Aviv's Mayor, Mr. Haim Levanon, that the country's Tenth Anniversary Exhibition of Industrial Progress should be held in Tel Aviv in 1958 instead of in Haifa.

The National Committee appointed to decide on the location had unanimously agreed on Haifa as the site for the exhibition. There was no reason why this decision should be changed now, especially as Tel Aviv had been given its say in the committee and had for nearly a year failed to put forward a counter-proposal. Haifa had been preparing for the exhibition since January, 1956 and had already completed most of the necessary plans. A full staff and the organization which had staged the successful TAI '56 exhibition was at work preparing the project, the Mayor said.

All economic organizations which had taken part in TAI '56 had at the conclusion of the exhibition agreed to hold the 1958 exhibition in Haifa, among them the Manufacturers Association and its chairman, Mr. Arieh Shenkar.

At the same time, Tel Aviv would have the Agricultural Exhibition at Bet Dagon, 12 kms. from the centre of the city. Jerusalem would have a Cultural Exhibition, and if the Haifa site were abandoned, the population of Israel north of Tel Aviv would be left without any event to mark the 10th anniversary celebrations. The success of the TAI '56 exhibition organized here added weight to Haifa's claim, which had in any case already been accepted by the competent authorities and could not be changed now, Mr. Khoushy said.

Monastery Employee Jailed for Rape

Hamed Ajali, 25, an employee of the Dir Raffat Monastery in the Jerusalem Corridor, was yesterday sentenced to nine months in prison by Jerusalem District Court Judge Y. Cohen for raping a ward of a home for backward children.

Mr. Shlomo Shoham, Deputy District Attorney who prosecuted, claimed that the accused assaulted the girl in broad daylight early in 1955.

Ajali had been employed in the Home, especially on the Sabbath when he had switched off the lights. *(Itim.)*

NAHARIYA HOST TO FIFTY SERVICEMEN

NAHARIYA, Monday. — For a week the town was host to the first contingent of 50 servicemen who took part in the Sinai campaign, and gave them a farewell party at the "Penguin" yesterday. The free hospitality scheme will continue until all men of the "adopted" unit have had their week of rest here.

UNIONISM. — Delegates and observers from more than 30 countries arrived in the Gold Coast over the week-end to attend the first All-African Regional Trade Union Conference due to have opened in Accra yesterday.

ESHKOL

(Continued from Page 1)

IL454m. in 1956/57 (in terms of 1955/56 prices) — an increase of 20 per cent.

Water Projects

The Yarkon-Negev pipeline has given a considerable impetus to the development of agricultural settlement in South Judea and the northern Negev. The central pipeline had been extended from Western Galilee through the Valley of Jezreel to the Ta'anach area, enabling the fertile soil of southern Jezreel to be intensely exploited.

Industrial exports grew by about four per cent, as a result of increased productivity. This included a 16 per cent increase in the diamond industry, 12 per cent in metals, 14 per cent in automobile assembly and repair, 14 per cent in electrical appliances, and 20 per cent in plastics. Twenty-eight new enterprises, with capital of IL10m. and $3.5m., began production.

Two modern passenger and freight ships and two oil tankers were added to the Israel merchant fleet and 12 more would be acquired during the coming year. After obsolete ships are sold, Israel's merchant fleet would be one of the most modern in the world, Mr. Eshkol said.

Exports of goods and services rose by $80m. to $185m. But imports rose by $190m. to $540m. The increased imports consisted almost entirely of investment goods, building materials, defence requirements and imports for increase in stocks, Mr. Eshkol said.

There was no increase in commodity imports for current consumption; in fact, there was a drop in *per capita* consumption, in view of the 4.6 per cent population increase.

Trade Deficit

The trade deficit grew by 10 per cent — from $250m. to $275m., while the deficit in the balance of payments was estimated at $380m., as compared with $307m., an increase of 24 per cent. As in the past, the deficit in the balance of payments was financed by Reparations funds, the U.S. grant-in-aid and food surpluses, U.J.A. and Bond receipts, personal restitution payments and capital transfers.

The price rises due to increased wages and cost-of-living allowances were restrained to some extent and the cost-of-living index rose during the year by only nine points, or 3.8 per cent. But inflationary tendencies still continued and all necessary measures would be taken to combat them, Mr. Eshkol said.

The Knesset has decided that the debate on the budget as a whole will also include three Ministries — Development, Agriculture and Commerce. Mr. M. Bentov, Minister of Development, is scheduled to speak today on the budget of his Ministry. Following the general budget debate, the budgets of the various Ministries will be taken up.

Rabbi
Jonathan Balter — Zipporah Rothman
Ontario, Canada — Tel Aviv

Married

January 14, 1957, Tel Aviv.

The Management and Employees of
The Shell Company of Palestine Ltd.
deeply mourn the passing away of
their colleague

Shalom Kaiser

January 13, 1957.

ISRAEL-JAPAN SOCIETY
for friendship, cultural and economic relations
P.O.B. 2285 TEL AVIV.

takes pleasure in announcing a lecture by

Mr. Moshe Sharett, M.K.

on his impressions of Japan

which will take place today, January 15, 1957, at the E.O.A. House, 1 Rehov Daniel Frish, Tel Aviv, at 8.30 p.m.

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Economic News from Abroad

U.S. Surpluses to Brazil

• Brazil is to get $138m. worth of U.S. agricultural commodities during the next three years, including 1.8m. tons of wheat and flour, 35,000 tons of lard, etc. The price of these commodities is to be paid in cruzeiros, and to be used for long-term loans for Brazil's development projects, mainly hydro-electric power stations and railways.

Ships for Seaway

• The merchant marines of Germany, Norway and other states in Continental Europe are expected to benefit most from the St. Lawrence Seaway which is to be opened in about three years. They have been most active in the present limited traffic between the Great Lakes ports and foreign destinations through the old 14 foot canals and are the first to construct ships designed for the 27-foot canals and locks of the Seaway. Because the St. Lawrence freezes in winter, the ships will have to be utilized on other routes for about four months annually. Some companies are, however, still vacillating about placing orders, as long as no basis has been fixed for the Seaway tolls (whether on B.R.T. or on deadweight etc.).

German-Portuguese Trade

• A considerable influx of German capital into Portuguese industry is expected within the next few years. Already a year ago Germany became Portugal's principal supplier, but attempts made to step up the export of Portuguese wines and other products to Germany proved of little avail. As a result, a growing trade deficit is run up by Portugal that would be offset by an inflow of German investments, in particular to export industries.

Lancs and Egypt's Cotton

• Imports of Egyptian cotton now amount to just over two per cent of total British requirements, as compared with about 20 per cent five years ago (and over 50 per cent in previous decades). Only about 10 per cent of the long-stapled cotton now comes from Egypt, about three quarters from the Sudan and the rest from Aden and the Leeward Islands.

China's Industry

• Under the current revision of China's second Five-Year-Plan (1958-1962) the proportion of heavy to light industry is to be reduced from the ratio of seven to six-to-one. The very high targets set for agricultural expansion make it advisable to assure an adequate supply of popular consumer goods in order to make deliveries of grain and other products worth-while for the peasants, but the intention is apparently to maintain a better and more attractive supply of consumer articles for the town population as well, in view of the recent developments in Poland and Hungary. Orders from Russia, East Germany, Poland and Czechoslovakia worth $300m. for heavy industrial equipment (including complete factory units), have been cancelled in recent months. Increased attention is also being given to improving the quality of products.

De-salting Water

• Sea water may be desalted exceptionally cheaply by exposing it to sunlight in special plastic containers, in which a new type of plastic is used that would not deteriorate through exposure to sunlight, lasting for as long as ten years. Practical experiments with the new material are to be carried out shortly and the eventual cost of the new de-salting units is expected to be about 5s. per 1,000 gallons capacity.

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BANKERS AGAINST INTEREST

THAT farmers should fight high interest rates and pin their hopes on a law fixing an interest ceiling is common enough anywhere, for farmers have always considered interest to be little else than legalized usury. But that bankers should espouse the farmers' cause and add their weight to stale arguments about the damaging effects of interest in a modern economy, i.e. regard interest lopsidedly as only an element of production costs (that ought to be reduced), is a novelty worthy of analysis. Can they have forgotten that supply-and-demand relations rule the money market at least as much as the commodity markets, and that control of capital is even more difficult to enforce than physical controls?

One is almost tempted to presume that they are only putting up a show to please their clients, since for the time being no way has been suggested of making the proposed interest law workable. The latest amendment making the lender at an excessive rate guilty and punishable along with the borrower is bound to close the door upon any denouncer who would have stepped forward, even though denouncing would be a feeble prop for such a ramified and complicated law.

Perhaps their real intention is to press for a public discussion of the problem in order to demonstrate that even the old toothless Ottoman law fixing a 9 per cent maximum rate should be abolished. However, there is no need to conjure up such cunning devices. They may simply think that in a country which combines stringent control of bank credit with a big development budget there is no need to take particular care of bank deposits, since credit means could eventually be provided by the Government. The Treasury's deposits already finance about one third of the total bank credit, so why shouldn't the relation be reversed as time goes on? Should the banks' own means become scarce, the Bank of Israel could step in with increased rediscounts for vital purposes, and knock the bottom out of every attempt to fleece the unfortunate lenders. Further steps in this direction could even bring about complete emancipation from bank interest, like that foreshadowed in some socialist utopias.

It is rather questionable whether there would still be a place left for bankers in that ideal world, in which capital could be supplied at no price and without having to resort to saving. Or else—if savings would still make sense—the money could still be placed outside the banking system—presumably for purposes considered non-vital and non-eligible for government credits—at an interest agreed on according to the supply-demand relation and taking into account the trends of profits and prices, the special risks of the particular case, etc.

As a matter of fact, the situation would then be approximately the same as at present for all those borrowers who now complain about the exorbitant rates, i.e. those unable or unwilling to be satisfied with the amounts set at their disposal by the credit authorities at controlled interest rates. The pretended emancipation from interest would scarcely have been worth-while for all that. For it could only be achieved by a large-scale expansion of government financing for all "worthy" goals, i.e. a renewed inflation.

The case can also be presented in much simpler terms. As long as the State goes on lending at 6.5 per cent plus linking to the C.-o.-L. Index or to the dollar rate plus tax exemptions, i.e. at an effective rate of say 10-12 per cent, no economic offence can be taken at double and treble rates for private firms, with all the hazards involved. If a law fixing a too low ceiling for interest were to be enforced, it would mean the utter exclusion of these marginal lenders from the credit market. If they nevertheless took part in it, it would be illegally, at special risks and at still higher rates.

Light and Shadow on T.A. Market

By SHALOM P. DORON

MORE than any previous year, 1956 has proved the enormous possibilities of the securities market in Israel. A great number of new issues made their way through the cash-hungry Israel economy and found the required absorption possibilities. Investors and savers, big and small, businessmen, professionals, white collar workers, labourers, artisans, widows, and rentiers from various walks of life directly or indirectly joined the hitherto small group of security minded public in this country during 1956.

The success of the floatation of the more than IL60m. worth of bonds including the Palestine Electric second issue, Keren Hayesod, Igreth, Rassco, Local Authorities and the first part of the Defence Bonds was possible thanks to joint efforts made by the Government (which secured attractive conditions) and banks and financial institutions, which did their utmost to underwrite the subscription, and last but no least the Tel Aviv Stock Exchange, which played an important role in this endeavour. The most important factor, however, was the population which, though hitherto not too familiar with investments in securities, began to realise that they were being offered very reasonable conditions which not only assured quite good earnings, but also insured their capital from any possible devaluation of the Israel currency.

At this stage, however, a voice of warning appears to be called for. This concerns two developments which should constitute signs of approaching danger. The *conditio sine qua non* of a full success of the recent floatation is to continuously maintain the confidence of the investor. This confidence was hurt by the recent falls under the par value of the Palestine Electric index-linked, Keren Hayesod, Rassco and Local Authorities bonds. But for this fact, the Defence Bonds would probably have met with an even greater success.

Moreover, it was noticed that *without any authority* pressure was put on various groups to prompt them to buy Defence Bonds, which had a detrimental effect on the market's standing. In addition, it may be submitted at this stage, that in this field the publicity not only failed, but caused some harm. Despite the fact that the conditions of the Defence Bonds were in some respects much better than those of previous linked issues, some people hesitated to buy Defence Bonds because of the publicity. They thought they were requested to contribute to another defence fund or to sacrifice their money for a good cause. They did not realise that by buying Defence Bonds, they help themselves no less than they help the State.

The value of the Bonds from a purely economic and financial point of view should have been underlined more than any other consideration, although, of course, the special cause could have been used as a sale promoting factor. It appears, however, that the public is overcoming this handicap and beginning to realise the real value of the Bonds.

The second warning sign is the fact that the investing public is losing confidence in the C.-o.-L. linking because of the many recent manipulations of this index. It may be recalled that in some instances, 70 or 80 per cent of an issue was linked to the C.-o.-L. Index and only 20-30 per cent to the dollar. In recent issues, the proportion is just the opposite and even more than 80 per cent opt for the dollar linking. The Defence Bonds, e.g. have already been issued with dollar linking and the option was given to exchange same into C.-o.-L. linking, in accordance with the recent developments in the investor's mentality. As long as the investor has a choice between the C.-o.-L. and dollar linking, no great harm is done *prima facie*, but what about persons holding securities linked to the C.-o.-L. Index?

Two Warning Signs

It appears worthwhile to consider very seriously these two signs of warning and do everything possible to prevent their developing into a serious handicap to the market. But generally speaking, the absorption of the linked bonds proved a success.

However, there were also shadows during 1956. The ordinary shares, sections of Industrials, development and financial companies brought to the shareholders another year of bitter disappointment. Not only is the Tel Aviv stock market now stocked roughly more than 90 per cent with Government or Government-sponsored bonds, with private companies' stocks and shares losing ground, but the downward trend of the latter is causing serious worry. Good money invested years ago in first class industrial equities or other shares has lost its value in recent years.

There is no doubt that this development on the shares market must, in the long run, have a detrimental effect on the entire market, including the various linked bonds. It is unheard of in any economy that when an industry needs money it should be able to mobilise it only through the medium of Government, or Government-guaranteed bonds. This is happening now in our country with the planned and twice-postponed issue of the so called Industrial Loan. Under present circumstances industry could not attract investment in any other way, because investors point to the experience of shareholders of Ata and Kurdaneh, I.L.D.C., Africa-Palestine, Delek, etc. To illustrate the reason for the loss of confidence in shares, compare the highest and lowest of a number of leading shares on the Tel Aviv market in the table below.

Unfortunate Repercussions

There is no doubt that something must be done quickly to help the shares market to recuperate from its present sickness, since otherwise unforeseeable repercussions may affect the general confidence of investors in the stock market.

No doubt much can be done to help, but only a joint effort of the Government, the companies concerned and the Stock Exchange can be of any lasting help. A 25 per cent Income Tax ceiling on shares listed on the market, similar to the ceiling of the Tavei Dollar and recently issued bonds is a primary condition for any recovery in this section. Further Income Tax reductions are required to permit revaluation of assets on reasonable terms, from which the shareholders would benefit in the form of bonus shares.

This done, the companies concerned must do their bit. First and foremost the established Israel practice of listing shares without or with partial voting power on the stock market must be stopped. The attraction of a share lies in the fact that a shareholder feels he has a say in the company. He takes a risk in buying a share and relies on the profits (as against fixed return on debentures), but he must know that he (together with other shareholders) is able to influence the business and the management of the company by the simple means of a shareholder's vote at the general meeting. In this country we find ordinary shares with no voting power or with voting power that can easily be overruled by the voting power accorded to some kind of management or founders' shares.

Companies Forgot

Moreover, companies should do something to take care of the market. No sooner were shares floated, than the companies forgot about them. Thus there are cases of shareholders who bought a share at IL200 representing a value of $560 at the time, and the price of the same share today is IL60, worth $30. Where is the actual value of the asset of such a company in relation to the price of the share? Cannot the company do something to make the shareholder realise that he has not lost 90 per cent of his investment? The Ata and Kurdaneh Companies did distribute bonus shares on revaluation of assets between 350 prutot a dollar to IL1 a dollar. Even this is not enough. But what about the others? Could they not offer shareholders special rights in acquiring land, houses or flats in their building schemes? If there was a will and if there was a "danger" of the shareholders coming to the general meeting with full voting powers and acting as shareholders all over the world act when they are dissatisfied with the directors' policy, a way would certainly have been found. The assets are not lost, they exist, at least partly, though certainly not in the proportion of one to ten, but enough exists to justify at least partial compensation for the practically disowned shareholder.

Constructive Proposals

As said above, Government measures alone will not help if the companies concerned do not offer constructive proposals based on a big dose of goodwill and consideration for the disappointed shareholders.

Neither can the Stock Exchange afford to do nothing. We know the Council is doing something in this respect. Here a more determined policy to safeguard the rights of shareholders is also needed. This could include the refusal to list shares without full voting powers and the threat of eliminating a share from the Official List, in cases where it is obvious that the company is not fulfilling its basic duties towards the Stock Exchange or shareholders.

If we want to have a healthy stock market, then 1957 must be a year of consolidation of the ground gained in 1956, in order to avoid overstocking the market. Moreover, this year must be devoted to earnest consideration and decisive action by all concerned, so as to repair as quickly and as effectively as possible the great harm done to the investing public by the short-sighted and wrong attitude adopted by some companies towards their shareholders.

	1952 highest price	1952 lowest price	1953 h.	1953 l.	1954 h.	1954 l.	1955 h.	1955 l.	1956 h.	1956 l.	Present price
ATA Textile Co. Ltd. ordinary shares "B"	200	127	177	134	[illegible]	[illegible]	140	[illegible]	120	87	[illegible]
Kurdaneh Textile Works Ltd. ordinary shares "B"	163	130	186	124	178	[illegible]	140	[illegible]	[illegible]	90	[illegible]
Africa-Palestine Investment Co. ordinary shares	187	130	137	115	[illegible]	[illegible]	[illegible]	74	[illegible]	[illegible]	[illegible]
I.L.D.C. ordinary shares registered	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	140	120	210	[illegible]	[illegible]
Assis & Bejarano Bros. Ltd. ordinary shares "B" registered	200	172	177	136	167	178	160	130	140	[illegible]	200

Protective Law for Fruit Growers

By Our Economic Correspondent

A LAW is being prepared to fix regions for fruit growing. Certain fruits, say apples or pears, will be allowed only in certain areas while in others such fruit will be forbidden by law. The law is a novelty here and deserves the attention of the public.

So far we have had agricultural planning. That means that the authorities prepared a survey of what sort of agricultural produce would be required and advised the farmers on what to grow. But if a farmer was ready to take a chance and grow carrots despite the warnings of the authorities that there would be no market for them he was free to lose his investment and labour. From now on things will be different if the proposed law is passed by the Knesset. A farmer in, say, the Hula region who has grown apples until now will no longer be allowed to do so. Apples and certain other fruit will be reserved for the hill regions.

Several reasons are given for the bill. During recent years more and more people, encouraged by high prices, have been planting fruit trees and vines. Once they begin to bear fruit there will be a glut on the market, prices will go down and we shall have in the fruit market the same difficulties as we now have with vegetables. There will be too much fruit, there will be nobody to buy it and we shall be forced to dump it. And while vegetables take only a few months to grow, and a farmer who lost on cabbage this year can easily grow something else next season, the growing of fruit trees and vines takes years, sometimes five or six, until they begin to bear. Switching over from fruit growing to another crop is therefore a costly business which cannot be accomplished quickly. It is therefore proposed to prevent such developments by law.

Reason for the Bill

There is an additional reason for the bill. Settlement of the hill region is an old problem which has still not been solved. The soil there often has to be created by a costly process of removing boulders and erosion has to be prevented by building elaborate terraces. How this is being done can be seen on the highway to Jerusalem, where large-scale terracing schemes have been executed.

Profitability of settlement in the hill regions is still very doubtful. The cash crops which form the mainstay of farming in the plains cannot be grown there. The Arabs settled in the hills used to eke out a scanty existence by sowing oats on tiny fields between the boulders and by grazing their flocks wherever the sparse grass grew after the winter rains. The settlement authorities now hope to base hill villages on fruit growing. The climate is favourable for deciduous trees in many places and it is therefore planned to promote fruit growing on a large scale in the hills. But production costs are high there. Water often has to be brought from a distance, mechanical cultivation is impossible and the price of fruit grown there will be high. Therefore the settlements in the plains will be forbidden to grow certain kinds of fruit.

Variety of Subsidies

We are used to managing prices by a variety of subsidies and even this causes many economic disturbances and the waste of money and of such invaluable resources as water. But so far we have refrained from fighting economic realities with the help of the law. The possibilities of distorting economic developments in this way are practically unlimited.

Everybody agrees that since the land at our disposal is limited we should use every dunam of it. But this will be possible only if we put the different soils in various regions to their most economic use. If fruit and vines can be grown profitably in the hill regions they should be cultivated there. But if they are more expensive there than in other places we should think twice. In recent years we have become accustomed to finding very expensive fruit in the shops. Varieties which were formerly imported are now grown here and since the quantities are small the price remained very high. But these prices can only be a passing phenomenon and we must welcome their reduction and try to produce big quantities which should not only satisfy the local market but provide exports. This can be achieved only if fruit is grown where it is cheapest.

We are used to putting the cart before the horse. We take it for granted that the hills must be settled. We then argue that people should live there on fruit growing since nothing else — except forestry—is possible there. We then decide on a minimum standard of living for them, and if the produce they grow cannot feed them we decree by law that they should be given a monopoly of certain crops regardless of price. What is more, instead of allocating a big area to hill settlers since intensive farming is possible there we start them on very small farms which simply will be unable to sustain a family except if their produce is reckoned at completely uneconomic prices.

The situation would not be so very dangerous if only money and labour were involved. But hill settlements built up according to the proposed scheme and with the help of a law will be a drain on our water resources. Fruit trees — or most of them — need irrigation. Water is scarce in the hill regions and has often to be pumped up at high cost. Decisions as to what is to be grown there cannot be made only according to the money cost, but must also take into account the availability of water.

Farmers who have made good money lately out of fruit growing are opposed to the law which threatens to rob them of a source of income. Their arguments have only the weight of a vested interest. But the whole question of hill settlement should be ventilated once again. If we foster these settlements with the help of a law which artificially puts them outside all competition and creates for them a special and permanently sheltered place they might turn out a drain on our economy instead of another source of income.

Local Economic Briefs

Phoenikia's Expansion

• The output of glass containers at the Phoenikia factory is to reach 40m. units in 1957, compared with 27m. produced last year, due to a second kiln put into production last November. This second unit has a daily capacity of 17 tons (about 35,000 containers), i.e. about half that of the main kiln, and serves also as a stand-by for occasional break-downs. It makes it possible to continue production during the periodic overhauls of the main kiln, which have to take place approximately every 30 months. The kiln was extinguished two months ago and will be re-kindled next April.

The factory's production programme for the current year includes, among others, about 3m. bottles for the Unicef milk distribution scheme (doubling last year's deliveries) and several kinds of bottles and jars for export articles such as wines, citrus, squashes, penicillin, etc. Several new types of products are still in the experimental stage such as an improved form of jar, and translucent tiles. The factory is also planning to start producing glass bulbs and pipes. The management is confident that there is still a large untapped demand for glass containers which ought to replace tins for many goods. The *per capita* use of glass containers is only 20 a year in Israel, as compared with 80 in Britain and 118 in the U.S.

Plate glass output also increased to 2m. sq. metres last year, compared with the previous peak of 1.7m. in 1954 and 1.4m. only in 1955. Of this, 0.6m. sq.m. were exported, mostly to hard currency countries (U.S. and Holland). Glass export has an added value of almost 65 per cent, one of the highest among our manufactured export goods.

Modest Savings in Israel

• Israel saved 1.1 per cent of her gross national output in 1954 and 2.8 per cent in 1955, according to Dr. Ga'aton's computations, i.e. in both years less than was necessary for covering the depreciation of existing productive assets. By comparison, Britain saved 8.7 per cent of her gross output in 1954, France 17.4 per cent and Sweden 20.2 per cent. The top places among saving nations were occupied by Western Germany (22.4 per cent) and Japan (24.5 per cent). This astonishing fact shows that the rate of saving is not at all dependent upon the country's living standard.

Hospital Facilities

• Hospitalisation standards in Israel improved during the last years, medical statistics show. In spite of the big population increase between 1950 and 1955, the average number of hospitalisation days per capita rose from 1.79 per annum to 2.28, mainly on account of improved facilities for mental and lung patients and for protracted diseases. By the end of 1956 there were in the country over 12,200 hospital "beds" (i.e. about 6.5 per 1,000 people) almost half of which were for "general" cases. Government and municipal authorities maintained over 40 per cent of all hospital beds (mainly general and mental) the Histadrut's Sick-Fund 15 per cent and Malben somewhat less. Private hospitals also accounted for about 15 per cent of all beds, most of them mental.

Doubling Industrial Investments

• Investments in industry are to be doubled next year and to top IL100m., compared with IL55m. to be invested in the current financial year according to a programme outlined by Mr. P. Sapir, Minister for Commerce and Industry. Of this only IL25m. has been included in the next Development Budget while the rest is to be supplied from industrial profits and reserves and from bank credits. A major role in this respect is to be played by the planned Industrial Bank which is to have a basic capital of IL12m. Of this, 28 per cent is to be provided by the Government, 41 per cent by banks and the rest by industry. The bank's main function, however, is to mobilise additional means for industrial investments, both at home and abroad. The above sums do not include the industry's requirements for circulating capital, in particular for expanding exports, which are to be provided for separately.

Agricultural Export Co.

• Orders at fixed prices for 300 tons of tomatoes in special export varieties and for quantities of early potatoes and onions have been placed by the Agricultural Export Company, according to an interview with S. Rabina, the company's manager, published by the Israel Export Journal. The company is also about to export 2,000 tons of bananas on a consignment basis, and flowers and bulbs (ordered at fixed prices) during the next winter season. Eggs and groundnuts will also be dealt with by the company on a major scale in European markets, and it plans to export fresh vegetables to Greece, Switzerland and Germany and to develop shipments through the Eilat port, e.g. potatoes to Ceylon, poultry and fresh fruit to East African countries, in special seasons. Though it will have its hands full with more or less established export articles for the first time, the company plans to start some experiments too. Thus it is investigating the possibilities of growing paprika for export in a dried and ground form, and of improving packing and preserving methods of various vegetables. The company is a joint venture of the Government (represented by the Ministries of Agriculture, Finance and Commerce and Industry), the Jewish Agency, Tnuva and several other agricultural marketing bodies.

Readers' Letters

CIVIL SERVANTS

Editor, The Jerusalem Post

Sir,—I refer to the article "Office Time Can Be Exploited Better," in your issue of January 3, by Malka Kesten.

As a member of the Vaad Haovdim in one of the government offices, I wish to protest at your correspondent's having collected isolated instances and lumped them together in order to ridicule the whole body of civil servants.

Much as I support her exuberance in not condoning Middle Eastern apathy where work is concerned, allow me to review some of her remarks:

Whereas the "15 minutes grace" has in many cases really not been respected, you will, in our offices, certainly find the staff not abusing the 14:30 deadline. In fact, quite a few, especially the higher grades, contrary to your correspondent's contentions, are still at work after 14:30, some returning home, occasionally, at dusk or even from out of town at night, and all for no overtime pay.

I should be interested to know whether Miss Kesten is prepared to back up her statement regarding half-hour (and over) lunch socials, by listing the offices where, except for isolated truants, this merry phenomenon may be met.

I take strong exception to the slur cast on the civil servants by describing us as "loyal" in inverted commas. Further, I might say that I, although a rather irreligious person, would not permit myself the infringement made by your correspondent upon the beliefs of others, in terming "abuse" the additional days taken by religious personnel.

For the benefit of Miss Kesten, may I add to her "facts of life" some of mine. The civil servant is undergraded and his pay compares unfavourably with the rest of the work market. He receives no premia and is ethically forbidden to engage in private work after his official working hours. His national holidays are scarcer than those of public institutions. He has no "wholesale" advantages accruing from his place of work.

These, and other disadvantages, should be set off, as they are abroad, by the security which a government official should expect. Recent events have proved that the permanency of a civil servant is a very nebulous thing indeed. In fact, even your correspondent supports dismissals, even in face of the aforementioned disadvantages of a civil servant's job.

I think that Miss Kesten should have studied the matter more carefully before writing her piece.

Yours, etc.
URI REMAK

Holon, January 3.

Stocks and Commodities

6½ Per cent Rassco Debs. in Official List

THE 6½ per cent debentures of "Rassco" class "A" (linked to the $) and class "B" (linked to the C-o-L — 244 points) have been officially introduced into the Stock Exchange list. During the last few days, since their introduction small price changes have taken place. The $-linked were slightly firmer, while the C-o-L were slightly lower. The Palestine Electric 6½ per cent bonds second issue and Keren Hayesod 6½ per cent debentures went ex coupon and prices were adjusted accordingly.

The 6½ per cent Local Authorities bond holders have to decide by the end of this month on the type of linking, i.e. either to the $ or the C-o-L index. Taking into consideration the fact that the index basis for these bonds is 260 points as against the present index of 248, the $ linking will probably be preferred.

Quiet conditions ruled throughout the week on the stock market and turnovers were restricted. Price movements were also insignificant. Africa-Palestine, I.L.D.C., Ata, Kurdaneh, Potash ordinary and Delek continued their downward trend although losses were small, while Bank Leumi, Palestine Electric Second Prefs., Palestine Cold Storage ordinary, and Jordan Exploration hardened slightly.

On the "curb" some lively transactions took place during the past week in connection with the B'ror Hayil drilling expectations. At one time prices touched a high of IL15½, but later receded to around 14¼, still IL1 higher than last week. The higher price of the Israel oil shares in New York reported last week kept steady. Israel American Oil were 2 5/8 and Pan Israel Oil 1 1/8.

New York Markets Steady

THE general economic outlook expressed in the President's State of the Union message, coupled with good company reports helped sentiment on the stock market. The recent rise in the price of crude oil brought further gains to oil shares. Conditions on the market were generally steady with an upward movement continuing for a few days, until some profit taking set in.

Dow Jones average for 30 Industrials was 493.81 after 495.51, as against 498.22 last week.

Macmillan's Appointment — A Relief

AFTER unsettled conditions caused by the anticipated appointment of Eden's successor, the announcement of Macmillan's appointment came as a relief and markets enjoyed a firmer and brighter trend and a substantial list of gains was established on Friday. The highlight of the day was the commencement of dealings in the new I.C.I. Loan Stock, which experienced extremely active trading, the price reaching 5 3/8 premium. In the foreign section, Japanese and Germans were firm, while Oils lacked a decisive trend.

Business Restrictions in Paris

BUSINESS on the Bourse was generally restricted, with leading oil shares losing ground. Gold coins, on the other hand, registered a further advance in fairly active dealings. Suez Canal shares were 63,800 after 63,000, while Esso Standard were 67,300, after 68,800. One Kilobar of gold was Ffrs. 467,000, Ffrs. 1,000 less than last week and the Sovereign was Ffrs. 4,315, as against 4,310 last week. The U.S. $ was quoted at Ffrs. 404 as against 402.

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Tel Aviv Stock Market

JANUARY 14, 1957

Pop. Loan 1949/69 (IL10)	[illegible]
4 % Comp. Loan 52/67	[illegible]
5½% War Loan 54/59	[illegible]
3½% Gov. Bds. (large)	[illegible]
Pal. Bearer Bds. Ser. 1	91-
50% Tavei Dollar x) y)	75
4 % Reg. Sterling "A"	875
Pal. Elec. pref. sh. (Ldn.)	251
6½% Bonds 57/64 f)	1054
ditto g)	1051
Keren Hayesod 6½ % Deb. 58/65 f)	[illegible]
ditto g)	944
Igreth Ltd. 6½ % Deb. 58/65 f)	942
Bk. Leumi ord. sh.	250
Bearer Savings Cert.	875
A.P.B. Investmt.	[illegible]
4½-6% Conv. Deb.	75
ord. sh. "B" reg.	1041
Gazit ord. sh. "B" reg.	945
Ellern's Inv. ord. d)	144
P.E.C. Inv. ord. "B" reg	944
Gen. Mortg. Bk. ord. sh.	705
Bizur 4% debs. 56/65	81
Nir 8% pre. sh.	771
Pasa 6% debs. 40/64 reg.	761
"Inva" 8% debs.	81
Afr. Pal Inv. ord. sh.	[illegible]
I.L.D.C. ord. sh. reg.	[illegible]
5 % debs.	775
Rassco 6% pref. ord. sh. d)	[illegible]
Ata ord. "B" sh.	[illegible]
6-8% con. debs.	[illegible]
"Kurdaneh" ord. "B"	90
7% con. debs. 58/68	754
Moller-Dus ord. sh. reg.	780
Pal.-Brewery 8% con. debs.	[illegible]
Assis Bejarano "B" sh.	100
Nesher 6% debs. "A"	114
Pal. Potash "A" ord. Sh.	[illegible]
"Teva" ord. Sh.	[illegible]
Pal. Cold St. ord. sh. reg.	167
Delek Ord. sh. "C"	[illegible]
Pal. Centr. 8% debs.	[illegible]
Meharet pref. sh.	750
Jordan Exploration Co. Ord. Sh. reg.	1625

Notes: a) purchasing price; b) selling price; c) ex coupon; d) ex-dividend; e) ex-right; f) linked with $; g) linked with C.o.L.; x) in % of IL1.800; y) in per cent.

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